



Daily Report

East Asia

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Japan

Hashimoto-Brown Paris Meeting Cancelled

OW1805062095 Tokyo KYODO in English
0602 GMT 18 May 95

[FBIS Transcribed Text] Tokyo, May 18 KYODO — Japanese trade chief Ryutaro Hashimoto will not hold a previously expected meeting with U.S. Commerce Secretary Ron Brown next week when they attend a Paris conference, Japan's top trade bureaucrat said Thursday [18 May].

The meeting, which Hashimoto had predicted last week, has taken on new significance as the two nations' auto trade dispute has escalated, but Ministry of International Trade and Industry (MITI) Vice Minister Tomio Tsutsumi said Brown withdrew a request to meet for schedule reasons.

There have been no other requests from the United States for meetings with Hashimoto while ministers are in France for an Organization for Economic Cooperation and Development conference, and Japan has sought none, Tsutsumi told a regular news conference.

Some reports have said Hashimoto would meet with U.S. Trade Representative Mickey Kantor in a bid to revive the auto talks that fell apart when they met May 5 in Canada and failed to narrow the gaps on the biggest bilateral trade issue.

That breakdown prompted the U.S. to announce 5.9 billion dollars worth of sanctions on Japanese luxury cars, both sides to take the dispute to the World Trade Organization (WTO) and Japan to mull counter sanctions.

Tsutsumi said Tokyo has not decided whether to take sanctions. Top trade negotiator Toshihiro Sakamoto, MITI vice minister for international affairs, said Wednesday that Japan may be "forced" to retaliate but said it hopes to avoid the move and admitted it would violate WTO rules, as Japan says the U.S. sanctions do.

Brown withdrew his request to meet, saying he needs to hurry back after the Tuesday-Wednesday conference, Tsutsumi said.

Hashimoto had said he expected to meet Brown one-on-one but that the talks would not be limited to autos, while a top MITI official said late last week that no meeting had been formally set and autos would not be on the agenda if they did meet.

On the possibility of domestic action to respond to the U.S. sanctions, such as helping affected companies, Tsutsumi said MITI will study the matter after receiving industry requests and observing the situation.

Kantor announced Tuesday the preliminary list of sanctions targets — 13 Japanese luxury cars subject to tariffs of 100 percent that would take effect June 28 but be retroactive to cover cars that entered the U.S. starting this coming Saturday. The list is subject to change as U.S. trade law requires a 30-day period for public hearings before the final list is issued.

Both sides insist they still want a deal but show no willingness to budge on the central issue of U.S. insistence that Japanese automakers boost their plans for buying foreign parts.

Experts on Kato's Comments on U.S. Relations

OW1705235595

[Editorial Report] Tokyo Asahi Newstar Television Network in Japanese on 14 May, during its regularly scheduled "Sunday Project" program aired at 1100 GMT, includes a five-minute discussion on Japan-U.S. ties. Taking part in the discussion are Koichi Kato, chairman of the Liberal Democratic Party Policy (LDP) Research Council; Masataka Kosaka, professor at Kyoto University; and Yoichi Masuzoe, a political commentator. The program's regular commentator Soichiro Tahara moderates.

Noting that Kato was visiting the United States when the bilateral talks ended in failure, Tahara asks Kato's view on the talks. Kato says: "The talks' results do not affect everything between Japan and the United States."

Kosaka says the auto issue is actually a political issue. Kato agrees with him and says the issue is handled by administrative bodies, such as the Commerce Department and the U.S. Trade Representative Office in the United States. Tahara points out the need for political authorities to play a role in settling the issue.

Noting that U.S. House Speaker Newt Gingrich criticized the U.S. stance on the bilateral auto talks, Kato raps Japanese media for its failure to report this influential politician's views.

The discussion goes on to the issue of Japan's trade surplus. Kosaka points out the need for Japan to take appropriate measures and make a commitment to settle the issue. Kato agrees.

Next, Japan's stance on filing a complaint on the auto issue with the World Trade Organization is discussed. Tahara asks Kato whether Japan-U.S. relations are now changing. Kato agrees, and adds Japan should respect Japan-U.S. security ties and U.S. commitments to Asian nations. Masuzoe notes the need to confirm Japan's stance at the summit, and Kato says this will be confirmed at the summit and Asia Pacific Economic Cooperation forum talks.

Masuzoe then asks Kato if Prime Minister Murayama will remain prime minister and attend the summit. Kato says Murayama will attend the talks.

Aims of U.S. Trade Sanctions List Discussed

OW1705120895 Tokyo NIHON KEIZAI SHIMBUN in Japanese 17 May 95 Morning Edition p 5

[Article by correspondent Ryosuke Harada]

[FBIS Translated Text] Washington, 16 May — The initial sanctions list announced by the U.S. Government in connection with the auto trade dispute with Japan, called for the application of retroactive punitive tariffs with the aim of shaking up the Japanese Government and Japanese automakers by shutting Japanese-built deluxe automobiles out of the U.S. market. Even if Japan files a complaint with the World Trade Organization (WTO) about the sanctions list, bilateral auto negotiations will continue until the summit of industrialized nations (the Halifax Summit) is held, and the United States aims to wring concessions from Japan in the negotiations. Notwithstanding, the confrontation between Japan and the United States over the issue of increasing the purchase of American-made auto parts by Japanese automakers — the focal point of the auto negotiations — remains unsettled. It is unclear whether or not Japan-U.S. summit talks to be held during the Halifax Summit will break the deadlock over this issue in the auto negotiations, thereby making the United States drop its plans to impose sanctions against Japan.

The announcement of the sanctions list is a harbinger that the United States will slap sanctions on Japan on 28 June. It has set the date for imposing sanctions against Japan taking into account the timing of the Japan-U.S. summit talks scheduled to be held during the Halifax Summit, which is set to be held for two days from 15 to 16 June. Although the U.S. Government has put the WTO on notice that it will file a complaint, it will file the actual complaint with the world trade body in six weeks. These tactics are aimed at pressing Japan to make a hard choice between sanctions and concessions. The sanctions list aims to shake up not only the Ministry of International Trade and Industry, a monolithic government ministry, but such major Japanese automakers as Toyota Motor Corporation, Nissan Motor Company, and Honda Motor Company. These Japanese automakers build most of the deluxe automobiles that are the target of 100 percent punitive tariffs under the sanctions. The Japanese automakers have made a huge amount of investment in the United States to build dealership networks there. They are concerned that if the United States imposes sanctions against Japan, this will break up their dealership networks and they will be unable to recover their investment. The sanctions will have an impact on Japan-

ese automakers even before they are actually imposed because if the sanctions are imposed, the 100 percent punitive tariffs will be applied to Japanese-built deluxe automobiles retroactive to 20 May. It is feared the U.S. Government will levy the 100 percent punitive tariffs on Japanese-built deluxe automobiles that are shipped to the United States for sales there after 20 May. The only way for Japanese automakers to avoid paying the 100 percent punitive tariffs is not to ship their deluxe automobiles to the United States.

Toyota Motor Corporation, Honda Motor Company, and other Japanese automakers plan to increase their car production in North America and there is a possibility they will be pressed to think of making a choice between the acceptance of U.S. demands to increase their purchase of American-made auto parts, and the suffering of losses to be incurred by U.S. sanctions. Why does the U.S. Government see a scenario of wringing concessions from Japan as the best option, despite the breakdown of the auto negotiations? There are some reasons the U.S. Government is cautious about imposing sanctions against Japan.

One reason is that the U.S. Government has decided to confine the punitive tariffs to Japanese-built deluxe automobiles for fear of an outburst of discontent in the United States. This fear stems from the fact that the economies of Japan and the United States are intertwined. Another reason is that the United States risks facing a ruling handed down by the WTO against unilateral trade action taken under the Super 301 provision of the 1988 Omnibus Trade Act.

Daily on Tokyo's Response to U.S. Sanctions

OW1805113695 Tokyo MAINICHI SHIMBUN in Japanese 17 May 95 Morning Edition p 11

[FBIS Translated Text] On 17 May, the Japanese Government, in response to the U.S. sanctions list announcement, will file a request with the WTO urging it to open a round of bilateral talks to "discuss the matter in a cool manner at an arena where we have an arbiter," (as stated by a top Ministry of International Trade and Industry [MITI] official). While saying: "The list is only a process, but not a sanctions decision," MITI is calling for calm reaction from the industrial circles as well.

The U.S. sanctions list only includes the imposition of punitive tariffs on Japanese luxury cars because the U.S. Government believes "It will reduce strong reaction from U.S. consumers." Furthermore, if the sanctions target items other than automobiles, the United States will come across as being contradictory to its own claim that "The auto area is the source of the Japan-U.S. trade imbalance." The United States also appears to have

judged that imposing sanctions on Japanese auto parts — the point at issue at the auto talks — will "inflict on the U.S. big three, which depend on Japanese-made auto parts."

Although the sanctions are aimed at luxury cars only, opposition is expected even from the United States, since it will affect U.S. dealers of expensive Japanese cars. Meanwhile, MITI intends to work toward the revocation of the list with cooperation from Japanese companies in the United States and U.S. companies doing business with Japan.

The Japanese Government is now studying retaliatory measures against the United States. But some people are cautious about it, questioning: "Can we obtain public support if we take retaliatory measures?" As such, Japan will surely face a rough going in coordinating domestic opinions.

Auto Talks Breakdown, U.S. Relations Discussed

Inoguchi Sees 'No Real Trade War'

*OW1805034095 Tokyo TOKYO SHIMBUN
in Japanese 12 May 95 Morning Edition p 3*

[Article by Takashi Inoguchi, senior deputy dean of the UN College in Japan: "No Real Trade War Will Break Out Between Tokyo, Washington"]

[FBIS Translated Text] It can be said that Washington's hard-line policy to impose sanctions against Tokyo and file a complaint with the World Trade Organization (WTO) reflects the economic situation in the United States. The U.S. economy, which is now in an expansion phase, is expected to run into difficulties in the medium and long term. This has prompted Washington to adopt the hard-line policy.

Meanwhile, Tokyo will take its case to the WTO, which I believe was inevitable. Like the GATT, the feature of the WTO is that it only needs a short time to mediate trade disputes. In other words, filing a complaint with the world trade body does not cause nations involved in trade disputes to go through many years of a trade war. The WTO draws a conclusion in a relatively short time, which is advantageous to Japan.

Recently, it appears that a growing number of senior Ministry of International Trade and Industry (MITI) officials are taking a confrontational stance on Washington. The possibility is strong that this stance will run into a risk, but it is better for Tokyo to articulate its position on this occasion.

Many U.S. Congressmen have a tendency to "drive American trading partners into a corner by thrusting trade issues upon them." Their attitude has led the Japan-

U.S. auto negotiations to break down. Nonetheless, Tokyo and Washington will not go to a real trade war.

It is a common fact that relations between one nation and another are often strained in various ways. I am not saying that Japan-U.S. relations are at a crucial juncture this year, which will mark the 50th anniversary of the end of World War II. I believe that Tokyo and Washington will maintain their relations in the future while bickering over various bilateral issues. Tokyo also will maintain relations with Bonn and Paris while bickering over various bilateral issues.

Both in Japan and the United States, the breakdown of the auto negotiations will not spark anti-American and anti-Japan feelings. Not only in Japan, but in other nations, the scope of what government can do has been limited. We can find this in the recent change in the yen-dollar exchange rate. Both Tokyo and Washington have been unable to do anything to keep the yen from drastically rising against the dollar. Even if they intervene in foreign exchange markets, they would be criticized for doing nothing.

These trends have continued to grow since the Plaza Agreement was signed in 1985. Government authority around the world has weakened and the time is past when government leaders met to hold summits for major decisions.

Fortunately, Washington is focusing its attention on Beijing. Washington believes that China is a potential enemy. While the enthusiasm for learning Japanese language has ebbed, the number of Americans learning Chinese has been sharply growing. In other words, Japan-U.S. relations are no longer the centerpiece of U.S. foreign policy. The breakdown of Japan-U.S. negotiations on a sector does not draw attention in America and has no impact on the rest of the world.

Bagusten [name as published], director of the International Economic Research Institute in the United States, has said: "Tokyo and Washington are at the stage of going to a major trade war following the breakdown of the auto negotiations." However, he intentionally made the comment to cater to the news media. It is rather wise not to care about his comment.

Daily Wary of Harmful Side Effects

*OW1705140595 Tokyo MAINICHI SHIMBUN
in Japanese 17 May 95 Morning Edition p 11*

[Article by correspondent Toshiro Hara: "Will Tokyo and Washington Strike a Deal or Break Off Auto Negotiations in Final Stage"]

[FBIS Translated Text] On 16 May, following the breakdown of Japan-U.S. automobiles and auto parts

negotiations, the United States announced its list of Japanese-built luxury automobiles to be hit with 100 percent punitive tariffs. Both Japan and the United States are saying: "There are no longer concessions that we can make," and the two countries are facing the risk of becoming engaged in an "auto war." If the United States imposes sanctions against Japan and the two countries take their cases to the WTO, the harmful side effects of their actions cannot be dismissed. Both Japan and the United States will enter a final stage where Japan-U.S. summit talks will be held during the Halifax summit (the summit of industrialized nations), which are scheduled for June, to "hammer out an agreement or break off" the Japan-U.S. auto negotiations.

The United States, which was able to announce the sanctions list any time after the trade talks held between Hashimoto, international trade and industry minister, and U.S. Trade Representative Kantor, which had broken down on 5 May, postponed the announcement of the sanctions list until 16 May. The United States had done this in hopes that the two countries would soften their confrontational stances toward each other and that Japan would make a decision before the Japan-U.S. summit talks are held. This shows that the United States wants to strike a deal with Japan.

Meanwhile, Japan, which has continued to be plagued by its "submissive negotiating attitude toward the United States," has gotten tough with the United States on bilateral trade issues in a bid to purge itself from that attitude by taking its case to the WTO. Nonetheless, it will be a long time before the WTO hands down a ruling against the trade action taken by the United States under the Super 301 provision of the 1988 Omnibus Trade Act. If the United States imposes sanctions against Japan, it will inflict great damage to the Japanese auto industry, which is annoyed at the U.S. Government's sanctions list announcement. A ruling by the WTO against the unilateral trade action taken by the U.S. Government cannot compensate for the damages suffered by the Japanese auto industry.

Japan has insisted that it will ask the WTO to make a judgment, and Japan's insistence is logical. Yet the huge U.S. trade deficit with Japan underlies the U.S. discontent with the Japanese auto market. The European Union (EU) agrees with the United States on this point. If Japan's insistence on its logic goes too far, this will trigger a backlash from the rest of the world.

Automakers Responses to U.S. Demands Reported

Toyota To Boost U.S. Parts Buying

*OW1805064695 Tokyo KYODO in English
0535 GMT 18 May 95*

[FBIS Transcribed Text] Nagoya, May 18 KYODO — Toyota Motor Corp. is studying the possibility of establishing a new automobile parts sales unit to boost procurement of foreign-made components, company officials said Thursday [18 May]. Details of the plan, including the size of procurement, have yet to be straightened out, the officials said.

The plan has emerged in response to persistent U.S. demands that Japanese automakers increase procurement of auto parts from U.S. suppliers. Toyota currently operates auto parts stores in partnership with affiliated auto dealers to sell mainly components produced by its affiliates.

Luxury Car Shipments Expedited

*OW1805073495 Tokyo KYODO in English
0700 GMT 18 May 95*

[FBIS Transcribed Text] New York, May 18 KYODO — Japanese automakers have begun taking steps to beat looming sanctions by diverting shipments of luxury cars from the U.S. East Coast to the West Coast, company officials said Thursday [18 May].

A freighter carrying several thousand luxury cars made by Nissan Motor Co. will be diverted to Seattle, Washington, and Long Beach, California, from the original destination of Newark, New Jersey, on the East Coast, officials of the company said.

The vehicles unloaded at the West Coast ports will be transported to the East Coast by land, they said.

Washington has announced a tentative decision to impose 100 percent punitive tariffs on a variety of luxury cars produced by Japanese automakers.

The tariffs are to be imposed retroactively from Saturday if the sanctions are formally adopted.

The Nissan officials said Washington's action was harsher than expected.

Nissan and two other automakers, Toyota Motor Corp. and Honda Motor Co., are considering withdrawing TV.

radio and newspaper advertisements for their luxury cars subject to the U.S. sanctions, officials of the companies said.

Mazda Motor Corp., an affiliate of Ford Motor Co. of the United States, and Mitsubishi Motors Corp. are likely to follow suit.

The combined ad expenditures of the five Japanese automakers are estimated at 300 million dollars a year, industry sources said.

Toyota and Nissan said they will shoulder the burden of punitive tariffs, estimated at 30,000 to 50,000 dollars per vehicle, instead of passing it along to customers and dealers, for vehicles purchased between Saturday and the day the sanctions are actually put into effect.

The total cost to Toyota of doing this would be several hundred million dollars, the sources said.

The number of U.S. dealerships for luxury cars of Toyota, Nissan and Honda totals about 600, with the combined workforce exceeding 20,000, the sources said.

The U.S. sanctions will deal a devastating blow to the Japanese companies' sales networks, they said.

Tehran-Tokyo Relations, NPT Discussed

*LD1705124995 Tehran IRNA in English
1157 GMT 17 May 95*

[FBIS Transcribed Text] Tokyo, May 17, IRNA — Avenues for further expansion of Tehran-Tokyo cooperation were discussed here Tuesday between deputy foreign minister for Asia-Pacific affairs, Ala'ddin Boroujerdi, and his Japanese counterpart.

The Japanese official said Tokyo maintains that political consultation and exchange of views between Tehran and Tokyo is necessary.

Expressing pleasure with the Iranian delegation's current visit to Tokyo, the Japanese official hoped that the visit will have positive outcome.

Briefing Boroujerdi on Tokyo's stances on key international and regional issues, the Japanese official said Tokyo hold the view that peaceful utilization of nuclear energy within the framework of regulations adopted by International Atomic Energy Agency (IAEA) is Tehran's legitimate right.

Boroujerdi expressing satisfaction with the growing trend of Tehran-Tokyo cooperation, briefed his Japanese counterpart on Iran's position on international issues.

He said the Zionist regime which possesses more than 200 nuclear warheads refuses to adhere to the Nuclear Non-Proliferation Treaty (NPT) is the major threat for peace and stability in the region.

Top Shipping Firm, Foreign Companies Sign Pact

*OW1005120495 Tokyo KYODO in English
1112 GMT 10 May 95*

[FBIS Transcribed Text] Tokyo, May 10 KYODO — Japan's top shipping company Nippon Yusen K.K. said Wednesday [10 May] it has signed a business tie-up agreement with three foreign shipping companies to form an alliance to cover global trade lanes.

The Tokyo-based company affiliated with the giant Mitsubishi Group said the three partners are Hapag-Lloyd AG of Germany, Neptune Orient Lines Ltd. of Singapore, and P and O Containers Ltd. of Great Britain.

The alliance is intended to establish "comprehensive services in the Europe/Asia, Asia/East Coast North America and transpacific trade lanes as from mid-1996," the company said.

The partnership will jointly employ more than 60 container vessels and aims to include the exchange of vessel capacity and the provision of ships as well as landside services and inland capabilities where legally permissible, it said.

Weekly frequencies of shipping operations on Asia-Europe and Asia-North America routes will be increased to four and five respectively from the present two and four, it said.

The company said the alliance is expected to account for a 28 percent market share of the European route against the 30 percent ceiling set by the European Union.

Reports Surrounding PRC's Nuclear Testing

Tokyo To Seek International Help

*OW1805092395 Tokyo KYODO in English
0909 GMT 18 May 95*

[FBIS Transcribed Text] Tokyo, May 18 KYODO — Japan will urge international efforts to persuade China to discontinue its nuclear testing program, a government spokesman said Thursday [18 May].

Chief Cabinet Secretary Kozo Igarashi told a news conference that the Nuclear Nonproliferation Treaty (NPT) was extended indefinitely on condition that the five declared nuclear powers work toward total nuclear disarmament, including completion of a comprehensive test ban treaty by next year.

Japan will urge the four nuclear powers of Britain, France, Russia and the United States to talk China, the fifth power, out of its nuclear testing, Igarashi said.

China set off an underground nuclear test explosion Monday as the first of five trials that China is expected

to carry out this year. It was the first Chinese nuclear experiment since last October.

The blast took place despite Tokyo's repeated calls for the suspension of Beijing's nuclear testing program. It also came the day after it was decided to extend the NPT.

China says it will stop nuclear testing once the proposed comprehensive test ban treaty goes into effect, possibly next year.

Prime Minister Tomiichi Murayama has expressed displeasure over the latest nuclear test, while Foreign Minister and Deputy Prime Minister Yohei Kono also reiterated his misgivings Thursday, saying the test may upset the NPT regime.

In addition to Japan's formal protest, many other countries, including the U.S., have also criticized China for its nuclear experiment conducted in its western desert at Lop Nor.

But Tokyo has so far shown reluctance to freeze its economic assistance to Beijing in retaliation, with Igarashi repeatedly saying overall Japan-China relations should be considered.

Igarashi has been taking a cautious stance over a possible suspension of Tokyo's official development assistance (ODA) to Beijing, though rules on extending ODA require Japan to take into account military spending, possession of weapons of mass destruction and arms exports of the recipient nation.

Since 1979, Japan has given China three ODA payments totaling 1.55 trillion yen. It will provide another 580 billion yen for fiscal 1996-98 as part of a fourth set of loans for the five years to March 2000.

At Thursday's news conference, Igarashi sidestepped a question on a possible reduction in Japan's grant-in-aid to China.

"We need to consider the matter of our economic cooperation in the perspective of overall ties between Japan and China. We will carefully think about it as part of our overall diplomatic efforts," he said.

Diet Members Question PRC Aid

*OW1805053195 Tokyo KYODO in English
0510 GMT 18 May 95*

[FBIS Transcribed Text] Tokyo, May 18 KYODO — Foreign minister Yohei Kono reiterated concern Thursday [18 May] over China's continued nuclear testing, saying it may upset the nuclear Nonproliferation Treaty (NPT) system. The most serious problem will be if it brings anxiety and distrust of the nuclear powers from countries without nuclear weapons, Kono said

at a session of the House of Representatives Budget Committee.

Earlier in the day, many parliamentary vice ministers voiced displeasure about the nuclear testing and questioned Japan's aid to the country, a government spokesman said. The comments were made at a meeting of parliamentary vice ministers, who are Diet members, held at the prime minister's official residence. Deputy Chief Cabinet Secretary Hiroyuki Sonoda told a news conference.

China detonated a nuclear device underground Monday despite Japan's repeated requests to halt to its nuclear testing program. It was China's first nuclear blast since last October and took place only days after the NPT, holding in check the spread of nuclear weapons worldwide, was extended indefinitely, with Beijing supporting it. China says it will stop nuclear testing once the proposed comprehensive test ban treaty goes into effect, possibly next year.

During his journey to China earlier this month, Prime Minister Tomiichi Murayama called for China's suspension of nuclear testing. The appeal went unheeded but the spokesman said Murayama's China trip helped cement bilateral ties.

Igarashi Reluctant To Freeze Aid

*OW1705033095 Tokyo KYODO in English
0321 GMT 17 May 95*

[FBIS Transcribed Text] Tokyo, May 17 KYODO — Japan on Wednesday [17 May] reiterated its reluctance to freeze its economic aid to China in retaliation for the neighboring country's unchanged nuclear testing program.

"We believe it is necessary to consider this issue in the perspective of overall Japan-China relations, while making clear our displeasure," Chief Cabinet Secretary Kozo Igarashi told a news conference.

Prime Minister Tomiichi Murayama has already aired a similar view, notwithstanding China's nuclear test conducted Monday amid hopes for the acceleration of international nuclear disarmament efforts.

Despite Japan's repeated calls for the suspension of China's nuclear testing program, China tested a nuclear device this Monday, the first test since last October. China is expected to go ahead with four more underground nuclear tests later this year.

Tokyo immediately lodged a formal protest over the latest Chinese nuclear experiment, warning that Japan may suspend its Official Development Assistance (ODA) to

China. The protest was delivered by Vice Foreign Minister Kunihiro Saito.

The test came just days after the nuclear Nonproliferation Treaty was extended indefinitely last week. The international accord is designed to stop the spread of nuclear weapons.

Since 1979, Tokyo has given China three ODA payments, with a total value of 1.55 trillion yen. Japan will furnish another 580 billion yen for fiscal 1996-1998 as part of a fourth set of loans for the fiscal 1996-2000 period.

Japan's rules for extending ODA call for taking into account the recipient countries' military spending, possession of weapons of mass-destruction and arms exports.

Official Denies Report on Aid Cut

OW1805105095 Tokyo KYODO in English
1019 GMT 18 May 95

[FBIS Transcribed Text] Tokyo, May 18 KYODO — A senior Foreign Ministry official denied Thursday [18 May] a report that the Japanese Government will announce steps to express its displeasure over China's nuclear test, including a cut in grant-in-aid.

"No decision has been made yet on Japan's actions in the wake of the nuclear test," the senior ministry official said.

The ministry is currently studying whether measures should be taken to protest China's nuclear testing, the official said.

He said economic cooperation is one area under consideration, but denied that Japan has decided to cut its grant-in-aid.

Earlier in the day, a news agency said the Foreign Ministry will announce measures later in the day that might include such a cut.

China on Monday conducted an underground nuclear test despite repeated calls from Tokyo to halt the experiments.

Japan also hinted that such acts could affect its aid policy in view of guidelines that require Japan to take into account the military trends of a recipient nation when considering extension of official development assistance (ODA).

Japan has expressed particular displeasure over the latest test since it comes shortly after a decision to indefinitely extend the Nuclear Nonproliferation Treaty and a visit to China by Prime Minister Tomiichi Murayama.

"We shouldn't overreact," the official said. "But personally, I don't think it is right to pretend like nothing happened."

Last December, Japan and China agreed on the fourth set of yen loans totaling 580 billion yen for the fiscal 1996-98 period.

Japan will decide on a course of action by "looking comprehensively" at Japan-China relations and ODA guidelines, the official said.

Editorial on Protest Against Tests

OW1705133795 Tokyo NIHON KEIZAI SHIMBUN
in Japanese 16 May 95 Morning Edition p 2

[Editorial: We Strongly Protest PRC's Nuclear Test]

[FBIS Translated Text] On 15 May, the PRC conducted another underground nuclear test. This was the 42d test conducted by this communist nation. The international community decided to indefinitely extend the nuclear Nonproliferation Treaty [NPT] during the NPT conference held earlier this month. At the same time, an agreement was reached in which the Comprehensive Test-Ban Treaty (CTBT) would be concluded by the end of 1996. Since the PRC's nuclear test inflicts severe damage to this international trend for disarmament and prohibition of nuclear tests, we should launch a strong protest against the Chinese Government.

In Japan, deep-rooted criticism exists against the government providing overseas development assistance (ODA) to the PRC, which has been repeating its nuclear tests. The source of this criticism comes from Japan's ODA guidelines, which stipulates: "We should keep a watchful eye over any movement toward the development and production of mass destruction weapons and missiles." The ODA issue was brought up for discussion when the government decided to provide the fourth yen loan program to the PRC at the end of 1994.

While visiting the PRC earlier this month, Prime Minister Tomiichi Murayama renewed his call for Beijing to stop conducting nuclear tests during his meeting with Chinese Premier Li Peng. However, a test was conducted less than one month after the talks. We could only say that such a behavior only rubs the Japanese people the wrong way.

The number of nuclear tests conducted by the PRC is extremely small compared with the those of the United States and Russia. With this in mind, it is a matter of course that criticism of the PRC is not persuasive when it comes from the United States, which has conducted more than 900 nuclear tests in the past.

Meanwhile, the PRC maintains: "We have had the fewest nuclear tests among nuclear states. It is not reasonable to demand that we stop experiments after most nuclear nations have concluded them," and: "The purpose of our nuclear tests is to prevent nuclear super powers from 'monopolizing nuclear weapons.'"

However, under the newly emerged international situation following the Cold War, the international trend for disarmament, total suspension of nuclear tests in particular, has been gaining momentum day by day. Under such a condition, we cannot permit the PRC's last-minute nuclear tests. Not only does it entirely disregard the stance taken by non-nuclear nations, but it could also give cause for conducting nuclear tests to nations suspected of having and developing nuclear weapons.

The Ministry of Foreign Affairs immediately contacted Wu Dawei, acting Chinese envoy to Japan, to express regret over the fact that the PRC conducted a test despite Japan's repeated protests.

Nevertheless, the PRC still intends to continue experiments in the future. During CTBT negotiations, the PRC requested that 1) nuclear tests for peaceful purposes be allowed; 2) nuclear weapons not be used in preemptive attacks; and 3) satellites be used to monitor nuclear tests. Some observers speculate that the PRC is only asking for these stipulations in an attempt to delay the negotiations. Are Japan's protests enough to deal with the PRC, which is acting like this? We think some kind of counter actions must be studied, including reviewing the nation's ODA program.

NFP Comments on 'Security Regime' With U.S.

*OW1805093795 Tokyo KYODO in English
0914 GMT 18 May 95*

[FBIS Transcribed Text] Tokyo, May 18 KYODO — The major opposition Shinshinto (New Frontier Party [NFP]) has drafted a new security policy platform urging Self-Defense Forces (SDF) participation in UN peacekeeping forces activities, party officials said Thursday [18 May].

The party's task force for establishing party policy on key security issues calls for abandoning the freeze on SDF participation in UN peacekeeping forces action.

Japan enacted the UN Peacekeeping Cooperation Law in 1992, setting a legal framework for limited overseas deployment of SDF troops to assist UN peacekeeping operations.

Under the law, SDF troops can participate only in noncombat UN peacekeeping activities, but all joint operations with UN peacekeeping forces have been

frozen for a future decision when the time is considered ripe for such missions.

The Shinshinto panel also recommended in-depth debates over basic security issues, including a possible revision of the war-renouncing constitution, although it stopped short of advocating permission to exercise the right of collective self-defense.

The party plans debate on the draft to hammer out its final security policy lines by the July elections for the House of Councillors as a step toward its ultimate objective of enacting a security basic law according to its proposals, the officials said.

The draft platform stressed that Japan should share due burdens and responsibilities as a member of international society and is obliged to provide all possible support to any action the UN takes according to its Charter.

It also urges boosting the Japan-U.S. bilateral security regime and enhancing the government's capability for crisis management.

Lower House Panel Approves FY95 Extra Budget

*OW1805073795 Tokyo KYODO in English
0656 GMT 18 May 95*

[FBIS Transcribed Text] Tokyo, May 18 KYODO — The House of Representatives Budget Committee on Thursday [18 May] approved the 2.73 trillion yen supplementary budget plan for fiscal 1995 which started April 1.

The supplementary budget will be sent to the House of Councillors after being approved at a plenary session of the lower house later in the day.

The budget includes a 1.43 trillion yen outlay to rehabilitate areas devastated by the Jan. 17 Kobe earthquake and 34 billion yen to strengthen public security against terrorist attacks such as the March 20 sarin nerve gas attack on the Tokyo subway system.

LDP's Kato Interviewed on Supplementary Budget

*OW1805005895 Tokyo NIHON KEIZAI SHIMBUN
in Japanese 15 May 95 Morning Edition p 37*

[Interview with Koichi Kato, chairman of the Liberal Democratic Party Policy Research Council, by NIHON KEIZAI SHIMBUN; date and place not given]

[FBIS Translated Text] — [NIHON KEIZAI SHIMBUN] The government plans to submit the first 1995 supplementary budget bill to the Diet on 15 May. Some say the budget may be good enough to deal with earthquake issues, but is not good enough to address the problem of the steeply rising yen.

[Kato] Evaluation of the budget bill can vary by how one defines the current recession's cause. It is true that this 2.7 trillion yen budget is small when compared with past emergency or comprehensive economic packages. However, one must realize that there is now a 40 trillion yen fund in national and local government budgets allocated to public works projects. When one realizes that these projects will be front-loaded and there will be a second supplementary budget passed in the beginning of the fall, one cannot say the amount is the problem.

I think one should not say that the budget will have no impact on economic conditions unless its amount is raised. In fact, what we need to do is to find a way to carry out industrial restructuring in Japan, the future of which all the people are concerned about, given the ongoing hollowing out of its industry. That is why we formulated the budget, emphasizing such areas as telecommunications and science and technology.

[NIHON KEIZAI SHIMBUN] That means the budget emphasizes so-called assistance for creation of new industries. What effect do you think the budget will have in that regard?

[Kato] To take the Posts and Telecommunications Ministry's spending on information infrastructure for example, the budget for it this year, including the part from this supplementary budget, will be more than twice as much as the budget for it last year. To take the Education Ministry's budget for another example, Y50 billion was added to the budget for science and technology research. In the past, the view was that the revenues for research project funds should not be raised by going so far as issuing construction bonds. However, this time we broke away from that thinking, and we made it possible to formulate the budget on the premise of issuing not only construction bonds, but also deficit-covering bonds. Only by doing that could we get the money.

I do not deny the importance of mid- and long-term pump-priming measures. However, I think what is most important is to help lead the Japanese community to have confidence in itself. If people think Japan is a country sinking in twilight, they will not make capital investments. Nor will they want to buy shares. On the other hand, if people are convinced about the future demand for some technology even though it cannot be used commercially right away, they will come to realize they need to make efforts toward developing it. And they will come to want to make investments as well.

Therefore, I think the most effective economic measure is to discuss and identify what the Japanese new frontier industries are and what the Japanese economy's dreams are. I would like the people to know that we thought

about this point in formulating the supplementary budget.

[NIHON KEIZAI SHIMBUN] With some people talking about Prime Minister Tomiichi Murayama resigning soon, there are predictions that the political situation will become fluid once the supplementary budget bill is passed.

[Kato] One must admit that businessmen, politicians, and bureaucrats tend to be irritated and are antagonistic toward each other these days. There is no good news heard about Japan right now. Politics is responsible for all this.

If too much of this kind of news — asserting that Japanese politics and society are in chaos — gets out of the country, it can start a vicious cycle with this news boomeranging on the Japanese people and the people losing confidence in themselves. That is why I think we need to establish, without delay, a system that can make people confident in themselves. Given such a situation, Prime Minister Murayama is doing all he can. The main 1995 budget was passed in the record shortest time, for instance. I hope people will appreciate these things frankly.

Coalitions' Views on SDF Golan Height Mission

LDP's Kono Urges Participation

OW1505064595 Tokyo KYODO in English
0551 GMT 15 May 95

[FBIS Transcribed Text] Tokyo, May 15 KYODO — Foreign Minister Yohei Kono on Monday [15 May] urged the participation of Japan's Self-Defense Forces (SDF) in UN peacekeeping activities on the Israeli-held Golan Heights, a government spokesman said.

Kono, who doubles as deputy prime minister, made the call at a meeting of leaders of the government and ruling parties, deputy Chief Cabinet Secretary Hiroyuki Sonoda told a news conference.

Kono was quoted as saying the three ruling coalition parties should further consider the proposed dispatch of Japanese troops to the Middle Eastern region.

"It will cause a diplomatic problem if we call off the plan for no clear reason," Kono said, noting Tokyo needs to respond to cooperation extended from the countries concerned after its fact-finding mission in April.

But Wataru Kubo, secretary general of Prime Minister Tomiichi Murayama's Social Democratic Party [of Japan] (SDP) [SDPJ], snapped back that the government did not send the preliminary mission on the assumption

that Tokyo would take part in the Golan Heights peacekeeping efforts.

Due to the SDPJ's opposition, Japan's participation, once scheduled for November, hit a snag last week. But Kono's Liberal Democratic Party, the dominant force in the ruling coalition, is insisting on the dispatch of troops next February.

The United Nations wants Japanese personnel to replace 50 Canadian members of the Syria-based UN Disengagement Observer Force, whose transport duties on the Golan Heights are set to expire in October.

Later Monday, Chief Cabinet Secretary Kozo Igarashi said the government wishes to reach a conclusion as quickly as possible on whether or not to send troops to the Golan Heights once the ruling parties decide on their unified view.

The top government spokesman observed that the coalition parties are largely leaning toward the proposed participation in the UN mission but remain at odds over "some other points."

SDPJ Opposes Plan

OW1105062295 Tokyo KYODO in English
0549 GMT 11 May 95

[FBIS Transcribed Text] Tokyo, May 11 KYODO — Japan's proposed participation in U.N. peacekeeping activities in the Israeli-held Golan Heights has hit a snag as Prime Minister Tomiichi Murayama's Social Democratic Party (SDP) [of Japan] decided Thursday [11 May] to oppose it, officials said.

The party, one of three coalition parties, held a meeting of its decision-making Central Executive Committee and agreed that Self-Defense Forces (SDF) participation in the UN activities in the Golan Heights would be a premature move.

New Party Sakigake, a partner of the three-party ruling coalition that also includes the SDP and the Liberal Democratic Party (LDP), has also voiced a cautious stance toward the mission.

The LDP last month decided to support the mission.

Following the disagreement among the ruling parties, the government's plan for an SDF dispatch in November has virtually been halted, officials said.

Members of the SDP Central Executive Committee shared concern that the SDF peacekeepers might become involved in activities directly connected with fighting, in breach of Japan's conditions for SDF participation in UN peacekeeping missions, party officials said.

The United Nations wants Japanese personnel to replace 50 Canadian members of the Syria-based UN Disengagement Observer Force whose transport duties are set to expire in October in the Golan Heights, which were captured by Israel from Syria in 1967.

Japanese troops, if dispatched, would be assigned the task of transporting foodstuffs and other daily necessities, government officials said.

In 1992, Japan enacted the UN Peacekeeping Cooperation Law enabling limited overseas deployment of SDF personnel to assist in UN peacekeeping activities.

It has since sent peacekeeping troops to Cambodia and Mozambique and has taken part in humanitarian activities in Goma, Zaire, to help Rwandan refugees.

Aum Shinrikyo's "Russian Connection" Reported

952B0168A Tokyo SHUKAN BUNSHUN in Japanese
6 Apr 95 pp 192-196

[Article by Akira Kato and special reporting team]

[FBIS Translated Text]**Sarin Detectors, Helicopters, And...? Close Relations Between Aum Shinrikyo and Russia**

Poison gas (sarin) detectors and large helicopters. Why has Aum Shinrikyo obtained these articles purposely from Russia? In pursuing this puzzle, the "other face" of Aum Shinrikyo, which is striving for contacts with high Russian government officials, chemical research institutions, and special units of the military by expending a huge amount of funds, has surfaced.

On 24 March 1994, two Russians, a man and a woman, got off an Aeroflot aircraft that had arrived at Narita Airport. The man's name was Vladimir Aleksandr Murabyov. He was 54 years old (at the time), of Russian nationality, and president of Guruma, a Moscow consultant company. The woman was a Japanese interpreter from the Ukraine.

Murabyov met with cult founder Shoko Asahara and visited Aum Shinrikyo facilities at Kamikuishiki village, Yamanashi Prefecture. He is said to have contacted cult founder Asahara several times since then, but in addition, many Aum Shinrikyo related Russians have come to Japan.

What do the Aum Shinrikyo visits by these Russians indicate?

Now the Aum Shinrikyo connection with the "subway sarin incident" that occurred on 20 March is being rumored, but hidden in the background is the important fact of the "Russian connection" tying together Tokyo-Kamikuishiki-Moscow. This will be mentioned in detail

later, but first let's touch on the proselytizing activities of Aum Shinrikyo in Moscow.

Aum Shinrikyo cult founder Shoko Asahara accompanied by 300 believers arrived at Sheremetyevo Airport in Moscow in March 1992, offering "Russia salvation." The Moscow branch of Aum Shinrikyo opened in June of that year.

Founded in 1987, Aum Shinrikyo had accomplished a full-scale overseas expansion in a scant five years.

Moreover, it can be understood how much effort Aum Shinrikyo is pouring into Moscow when Fumihiko Joyu, the so-called "brains" for cult founder Asahara, was appointed as the person in charge of the branch and cult founder Asahara himself visits Russia once a year.

Tens of thousands of people, including believers, gathered at an Aum Shinrikyo event held in Lenin Stadium in March last year, and now Russian believers officially amount to 15,600 people. Since there are at most 10,000 in Japan, it is the largest branch in scale at home or abroad.

The Moscow proselytizing activities of Aum Shinrikyo previously had been rumored, but the actual situation shows it has spread more than we had imagined. Nevertheless, there has been a series of big troubles about the substance of those proselytizing activities since establishment of the Moscow branch.

In the first place, the religious corporation registration of the Aum Shinrikyo Moscow Branch itself with the Russian federal government was an illegal act of "false application" in which "the Russian people who were considered the originators of branch establishment in June 1992 were people who had no relationship at all with Aum Shinrikyo" (Russian Federal Public Prosecutors Office). They had listed names without permission, not obtaining the acknowledgement at all of the residents whose names were put together as originators.

This matter was discovered in 1994, and Fumihiko Nagura, who was an officer of the branch, is being subjected to a hearing on the situation by the Russian Federal Public Prosecutors Office.

The facts of that false application have been confirmed and the Russian Federal Ministry of Justice put out a Kuzumin (Vice Minister of Justice) notice last year in July that prohibited all proselytizing activities. However, the Aum Shinrikyo which got wind of this notice in advance, shrewdly changed part of the name of the corporation two months before the notice was issued and changed to a different religious corporation regis-

tration, this time with Moscow city authorities, not the Russian federal government.

The problem is not limited to religious corporation registration. Although Aum Shinrikyo has acquired many believers in a short time, they have caused various troubles just as in Japan.

For example, an unlimited number of complaints have been heard such as Firatov who "went crazy and was hospitalized at a mental hospital after his wife converted to Aum Shinrikyo and went off carrying all their property of 900 dollars," or a certain housewife who, "at 4 o'clock day and night, had a salvation cap' with electrodes attached (said to produce the same frequency as the brainwaves of cult founder Asahara) put on her head; but she felt funny and escaped from the branch. Nevertheless, she has not recovered her health and her menstruation has stopped."

As of now, the petitions and protests addressed to President Yeltsin and the Russian Federal Public Prosecutors Office amount to 500. I have looked through almost all of the documents, and they all are filled with feelings of pain about family breakups and anger at the Aum Shinrikyo.

Already an association (Committee to Protect Young People) for victims of new religions, including Aum Shinrikyo, has been formed in Moscow with a total force of 50 people, and in the fall of last year they took Aum Shinrikyo to court to prevent its proselytizing.

Moscow prosecution authorities also embarked on an investigation with strenuous effort and on the 23rd of March again handed down an order forbidding proselytizing activities by Aum Shinrikyo due to violation of the registration law.

These proselytizing activities of Aum Shinrikyo are becoming a big problem locally to the extent that there is a possibility that they will develop into a future diplomatic problem between Japan and Russia.

Electric Wires Laid Underneath Bedding

Furthermore, an "incident" that deserves special mention is occurring in the proselytizing activities of the Moscow branch.

Aum Shinrikyo has the symphonic orchestra "Kiren" exclusively assigned to Russia. Boris Afanashev (61), a French horn player and former member of the orchestra recalls thus:

"On 8 December last year, our troupe (120 people) from Kiren,' the symphonic orchestra belonging to Aum Shinrikyo, arrived in Japan. After completing concerts in various places in Japan, we returned to Tokyo on 16

December and from there headed to Mt. Fuji (the Aum Shinrikyo facility at Kamikuishiki) riding separately in three buses. We had heard that there would be a present to all the orchestra members from cult founder Shoko Asahara."

Afanashev, who was hired by "Kiren" in 1994, was a member of this symphonic orchestra until he suddenly was dismissed on 15 January this year.

"In the beginning when I was hired, it was a regular orchestra. I was forced to convert to Aum Shinrikyo as a condition of joining the orchestra, but there were only four hours of rehearsal every day except Saturday and having to listen to a three-hour sermon by Asahara. The selections we played always were the three symphonies which Asahara composed himself. Those were a hotchpotch putting together the various works of classical composers such as Mozart and Beethoven. In a word, they were completely plagiarized."

The annual salary was \$11,500, exceptional for Russians. For him, with a family of five, he was very satisfied financially.

"Since fall of last year, Aum Shinrikyo has imposed completely impossible physical ascetic practices every day. They began to check the number of prayers chanted for Asahara. Each time we prayed, we had to strike our head 1,000 times on the floor. I was forced to do it even though I have a bad heart and high blood pressure" (Afanashev).

Such treatment by Aum Shinrikyo is said to have reached its peak with the Japanese public performances at the end of last year. They had expected a tremendous "present" from cult founder Asahara there.

"Around 8 p.m. after touring the lake, we entered a place like a steel warehouse at the foot of Mt. Fuji. It resembled a gym and we were ordered to sleep on the second floor. We were tired from travel, and when we were sleeping, a liquid with a strange odor fell from the ceiling. It might have been simply muddy water or a chemical substance.

"Electric wires were laid under the bedding and all of a sudden a vibration occurred. An order was given for all the members of the orchestra to get up, put on blindfolds, and attach head phones. An electric singing flowed from the head phones, a doctor in a white gown measured everyone's blood pressure, and stuck thermometers in our mouths. I endured it for about four hours, but I could stand it no longer and I rushed outside of the building."

When Afanashev got out in the fresh air, he felt for the first time that "some kind of gas had been used on us."

"When I went outside, my body was shaking and I felt nauseous. I do not think such an effect would have appeared just by vibrations. I wanted to scream and felt like I wanted to curse. All the members of the orchestra had fallen into a state of agitation."

About half of the orchestra members had darted outside, but those remaining continued to shake on the bedding. This initiation continued for 12 hours. The dissatisfaction of the members reached a climax, and when they demanded a bus from Aum Shinrikyo to return home, cult leader Asahara accompanied by a large number of bodyguards came on the run from Tokyo in a Mercedes Benz.

"Asahara explained that I have presented you with initiation free of charge. He said: Normally, you would have to pay \$10,000, and there are people who have been waiting their turn for many years. In addition, he threatened that if we refused this present, 'you can walk back to Tokyo. And also return to Moscow at your own expense'" (Afanashev).

One of the orchestra members who had completely lost self-control shouted, "It is wonderful here and I will stay here for forever!" And he ran around the field. Almost all the members had been caused to be abnormal in body and mind.

"One of the members of the orchestra shouted, Let's get out of here. If we don't, we will be killed,' and there was a big commotion. Nevertheless, all the orchestra members returned to Tokyo at 3 o'clock in the morning. Two months have passed since this incident that was like a bad dream, but I am in poor physical shape and have been on my sickbed for a long while."

The members fleeing the symphony orchestra since this incident continue to appear one after the other, and at present it is said that the members of "Kiren" have been reduced by about 50 people.

Afanashev received acknowledgement as a disabled person and is scheduled to sue Aum Shinrikyo for 1 million dollars compensation for damages.

Persistent Approaches Made To Russian Political World

Currently, the topic of conversation about Aum Shinrikyo has just been related to the "subway sarin incident." However, an important problem at the same time is the "funding suspicions" about Aum Shinrikyo. This matter still has not been reported anywhere in the mass media of Japan, but many suspicions surrounding funds of Aum Shinrikyo in Moscow can be pointed out.

By gathering news in Moscow over the past several months, we have been able to obtain important evidence

from Russian persons concerned indicating activities of the Aum Shinrikyo Moscow branch that have been concealed up until now. We also have gotten our hands on legal data and secret documents. The Aum Shinrikyo Russian connection funding suspicions will be revealed below.

First, speaking of the aforementioned "Kiren," the annual salary for one member of the orchestra is \$11,500 and with 120 people, it is \$1.38 million (about 140 million yen). They are using such immense funds for the sham amusement of cult leader Asahara. Where in the world does Aum Shinrikyo procure such an enormous sum?

According to the Metropolitan Police Board, "700 million yen in cash and 10 kg in gold bullion" have been confiscated in the raids on Kamikuishiki village, but the response by Aum Shinrikyo on this occasion has been the stock phrase, "the funds are supplied by the voluntary contributions of believers."

According to the records of the aforementioned Nagura in Russia, "they (contributions) are a minimum of 1,000 rubles (about 20 yen)."

Since the average monthly salary of Russians is from 3,000 to 5,000 yen, however, it is not much to make any contribution.

The second "funding suspicion" is the problem of Moscow television and radio acquisition expenses which Aum Shinrikyo utilizes in education and propaganda activities.

According to President Vladimir Povaryayev of "Mayak," the largest radio station in Russia, "In the spring of 1992, an Aum Shinrikyo person paid a visit with an introduction by Yakolev (close associate of former President Gorbachev, currently president of Ostankino Television). With a contract of \$800,000 annually, we have accepted \$2.4 million since then (over 250 million yen at the exchange rate of that time). Asahara unmistakably has laid hands on a large resource of money other than contributions by Russian youth. The contract with Aum Shinrikyo expires in August this year and this time we intend to request \$1 million."

In addition, they have a television program framework on the Moscow television company "Two By Two," and have acquired air wave rights to reach Japan from the Russian Ministry of Communications.

Where in the world have these purchasing funds come from?

The third "funding suspicion" is the unusual and persistent approaches made by Aum Shinrikyo as a religious corporation to the Russian political world.

On the aforementioned occasion when cult founder Asahara visited Russia for the first time in 1992, he accomplished meetings with Vice President Rutskoy and Khasbulatov, chairman of the Supreme Soviet (both at the time). It was unprecedented treatment for a religious person.

Consummate laying of the groundwork by Aum Shinrikyo is felt, but in the Russian political world, it is common knowledge that it takes money for a foreigner to meet influential men in the political world.

According to an expert well versed in the Russian political world, "the first politician with whom Aum Shinrikyo made inroads is Chairman Khasbulatov. They gave gifts' (money) to this politician who is said to have close ties also with the Chechen Mafia and Aum Shinrikyo aggressively has approached him."

Regarding the export of a former Soviet "Mil 17" helicopter, which is enshrined at Kamikuishiki, it is said that an Austrian trading company with connections to Khasbulatov was the intermediary. This helicopter, according to one report, is said to have cost several hundred million yen, but it is unknown for what purpose they have purchased it, to say nothing of the price payment method.

Moreover, since the Supreme Soviet and presidential government had an antagonistic relationship at the time, Aum Shinrikyo was playing both sides of the fence, so it didn't matter which had power.

"They approached Khasbulatov for the Supreme Soviet and in addition to Rutskoy for the presidential side, also Oleg Ivanich Lobov, said to be the closest of the close associates of President Yeltsin" (same expert).

It is said that the acquaintance began in 1992 with large contributions that Aum Shinrikyo made to the Russo-Japanese University in Moscow where Lobov served as school president.

A Russian journalist evaluates Lobov thus:

"Lobov is a big shot politician who is the former deputy premier in charge of industry, a mediator for approaching the military, and can exercise influence regarding residence permission for foreigners."

According to one report, it is rumored that the Aum Shinrikyo made a donation of \$100,000 to Lobov.

Lobov currently is in the important post of secretary of the National Security Council, and he has had an association for over 30 years with President Yeltsin as a politician. Particularly because Khasbulatov is losing his standing, Aum Shinrikyo quickly approached Eryomin,

this Lobov's secretary, and through this person is exercising influence in Russia's political world.

"Import of Poison" Stated In Articles of Incorporation

Actually, they have deepened ties with the Industrial Research Center of the Russian Science Academy using this politician's network. The Industrial Research Center is famous as a research institution which specializes in chemical substances, drugs, and industrial waste materials.

It is pointed out that "the contact point between Aum Shinrikyo and sarin must be this Industrial Research Institute. Since the sarin used in the subway sarin incident is said to have included many impurities, the possibility also is considered that sarin used in the Iran-Iraq War was brought into Japan via this research center" (authority on Russian political world information).

Huge funds must be necessary for Aum Shinrikyo to broaden and maintain this political world network.

And I surmise that fully using this network, Aum Shinrikyo is outfitting the Moscow branch as a "logistics support base" for the Japanese Aum Shinrikyo.

The significance of the "logistics support base" is that there are suspicions that Aum Shinrikyo is procuring military materials, acquiring know how in the production of poison gas, or conducting military training for terrorism in Russia, and does not just undertake proselytizing activities.

One of the important pipelines in that Russian connection is the "Guruma Company" of Murabyov stated at the beginning of this article. Actually, this company is thought to be the import route for "poison gas (sarin) detectors" which Aum Shinrikyo owns. "The poison gas detector which Aum Shinrikyo is using is the GSP11. This detector can detect G gas (poison gas developed by Britain and Sweden such as sarin and darin). Operation also is simple by nonprofessionals, but a drawback is that you do not know the degree of contamination and kind of gas. Such devices are laying about in Russia, and one probably costs several ten thousand yen" (military commentator).

So, what was the antenna that became the point of contact with Guruma?

The key to solving that puzzle lies in the invitation sponsor when Murabyov came to Japan. It is stated in a document which we obtained in Russia that the invitation sponsor is:

(Company Name: Mahaposha, Ltd.). Name of Representative: Chizuo Matsumoto. Position in charge: Sales Division (rest omitted)

"Invitation sponsor Chizuo Matsumoto" is none other than the real name of cult founder Shoko Asahara.

The Mahaposha company exists at the nucleus of the scores of related companies which Aum Shinrikyo embraces. Cult founder Asahara, who professes himself to be "the one last savior in Japan," was the president of a respectable profit-making business with capital of 30 million yen and sales of chiefly personal computer software and restaurant management as the objective.

Moreover, looking at the articles of incorporation of this company, it is quite on a par with a general trading corporation from "importation of steel, oil products, natural gas, and plants and animals" to "travel, real estate, stock investment, and an advertisement agency." It should be specially mentioned that "import of industrial chemicals (toxins and deadly poisons), pharmaceuticals, dyes, various gases, as well as their raw materials" also is declared in the articles of incorporation. For the directors, the officers of Aum Shinrikyo, who ran in the 1990 presidential elections, are lined up in a row.

On the other hand, although the Guruma Company is named as a consultant company in Moscow, in Aum Shinrikyo, "guru" means cult founder Asahara. And, combined with the holy name "Maitraya" of Fumihiro Joyu, the highest officer in the Moscow branch and said to be the right hand of the cult founder, it forms the name of the Guruma Company" (Aum Shinrikyo source).

If that is so, there is a very high possibility that it is a dummy company which Aum Shinrikyo set up in Russia. Moreover, the period which this Russian consultant come to Japan agrees with "the period of purchasing poison gas detectors" explained by Aum Shinrikyo.

According to the record of Murabyov's actions on his Japan visit which I have obtained, he visited the Tokyo headquarters of Mahabosha Company, computer sales stores in Akihabara, Nagoya, and Kyoto, and, in addition, Kamikuishiki village, which is called a factory tour.

What was the objective for Murabyov visiting the plant at Kamikuishiki village, which appears to have been the main base for production of sarin in the raid by the Metropolitan Police Board? There is information that "an expert on drug production in Russia came to Japan via Mahabosha Company and stopped for a visit at Kamikuishiki village" (Russian journalist). There is a

high possibility that the visit by Murabyov was involved in the "sarin" problem in some form.

A Russian public security source says, "Aum Shinrikyo is connected with the military-industrial complex. The Russian military today are in a tenacious situation having an independent profit system and creating syndicates for the diversion of military goods. Anyone can purchase military goods, poison gas, or weapons easily."

A Japanese military commentator also reveals, "Since the Russian military today have problems with money with the end of the Cold War, they will do anything if it makes money. The troop force which was 5.6 million in the former Soviet era currently has been severely reduced to about 1.5 million. Therefore, it is a situation where there is a swelling surplus of people with military experience. There probably is a 1-million-man unit of military-related persons, including reservists, who have received training to deal with chemical warfare."

Actually, an officer of the Aum Shinrikyo Moscow branch has revealed that "there are several soldiers from Russian military chemical units among the believers."

Moreover, it is believed that a person who had received military training committed the subway sarin incident, but what is surfacing there as a suspicion is the deep relationship between Aum Shinrikyo and the former Soviet special unit "Spetsunazu." The main duties of this unit are terrorizing prominent enemy figures and education and training of guerrillas and terrorists at home and abroad.

"The Aum Shinrikyo-related company Dopuniru Millionaire (Buddhist term meaning 100,000 millionaires) is offering for sale Russian shooting tours and military training to students. Its relationship with former Russian officers and "Spetsunazu" teams also is becoming clear" (Aum Shinrikyo source).

Surfacing from this gathering of local news on the Aum Shinrikyo Moscow branch is the new suspicion that the Aum Shinrikyo may be attempting to procure what it wants but cannot obtain in Japan and moreover, at low cost, from air waves to military goods and military related people, taking advantage of the social chaos since the crumbling of the Soviet Union.

Isn't that the reason cult founder Asahara dispatched the highest officer upon which he himself depends as his right hand and deliberately has infiltrated deeply in the political world and military relationships?

Regardless of these many big suspicious about Aum Shinrikyo funds, at the present point in time (27 March), police authorities have not gotten their hands on proof directly linking the series of sarin incidents and Aum

Shinrikyo. The hearing on circumstances of cult founder Asahara also has been delayed.

Moreover, regarding the "crime of preparation for murder" that was applied on 26 March, the sense is undeniable that the police investigation has been forestalled. As a public safety source says: "This is weak. We should have plunged in thinking of applying the Antisubversive Activities Act."

There also is information that already two Aum Shinrikyo-related persons have escaped overseas, and there is apprehension about the future of the biggest raid in history.

*** Article Views Cult Biological Weapons Activities**
952B0171A Tokyo SHUKAN YOMIURI in Japanese
30 Apr 95

[Unattributed article]

[FBIS Translated Excerpt] **Signs of "ABC [Atomic, Biological, Chemical] Weapons"**

The fact that Aum Shinri Kyo was performing research on bacterial culture at its "biological weaponry research building" within its facility in the village of Kamikuishiki in Yamanashi Prefecture has been confirmed by the joint investigation headquarters of the Metropolitan Police Department and the Yamanashi Prefectural police.

In charge of bacterial research is the "Health Ministry" and its "minister" is one Mr. Shoichi Endo (34). His holy name is "Jivaka Shogoshi," and he had engaged in cell and virus studies at the Kyoto University Graduate School Medical Research School. Currently, there is also information that he is acting together with suspect Takeshi Matsumoto, who is currently on a special most wanted list.

According to a person connected to the investigation: "In a series of house searches, 160 cans containing the bacterial culture liquid 'peptone' were confiscated from the 6th Satian,' which served as a chemical warehouse. In the 10th Satian,' information concerning the deadly botulinus bacillus was found, in addition to electron microscopes, incubators, etc., that are essential for bacterial research."

What is the significance of this coincidence?

At one point around the early part of this year, the cult side complained that "health damage is occurring in rapid succession among devotees inside the Kamikuishiki facility due to bacterial weapons," but after the forced search, their explanation was that "the

bacterial cultures were being used in the course of the manufacture of foodstuffs and drinks."

In any event, investigation authorities were astonished at signs that this religious organization was engaged in research connected to "ABC weapons," which are referred to as modern weapons.

Says one Aum watcher: "Even the unparalleled house searches covering 130 locations and 30 urban and rural prefectures around the nation has significance as a containment of this type of 'X day'."

"Of course, if they could have found Mr. Asahara, they intended to immediately take him into custody and were hoping to be able to confiscate completed sarin. Although there is even a rumor that sarin was buried at the base of the southern Alps, there was also information that it was being concealed at one point in a cult cruiser anchored off the coast of Chiba Prefecture. Naturally, all the top members of the cult are subject to thorough staking out' and tailing' by public safety investigators. They are being strictly guarded, so it would be impossible to try doing anything to dams, water supply facilities, etc."

Shukan Yomiuri pinpointed a hotel in the city where the no. 3 man of the cult, Mr. Hideo Murai (36), head of its Science and Technology Ministry, along with other adherents, was lodged under an assumed name. When the Mercedes Benz carrying Mr. Murai left the hotel, it was followed by an unmarked patrol car carrying investigators.

So Extraordinary That the Law Is Unable To Catch Up

How will the investigation unfold from this point?

According to an individual related to the investigation, "Looking back, the key executive corps members directly answerable to Mr. Asahara, such as chief secretary of the Justice Ministry, executives belonging to the Construction Ministry, the head of the Home Affairs Ministry, the chief of the Medical Treatment Ministry, and the Editorial Bureau, have all been arrested. There are several other top executives for whom arrest warrants are said to have been issued and for all practical purposes the functions of the cult have ceased."

"First of all, there is the fact that the raw materials for sarin were found and that secondary products were detected. Now if it is proven that it is possible to produce sarin at the cult's facilities, it will be possible to charge those responsible in the ministries and agencies for preparatory homicide. And then, if there is testimony that the top executives of the cult directed them, or if there is any documentation, warrants for the arrest of

the top executives can be obtained. On the other hand, because the subway sarin incident is a homicide case, things will be pretty difficult if it is designated as a crime that was actually committed and it is unclear by what method it was carried out."

Nevertheless, says this individual related to the investigation, "suspicion of preparatory homicide itself is rare, so assuming that the subway sarin incident is charged as homicide, it will mean that the charge of preparation for homicide will not materialize. However, the homicide investigation is running into trouble. It is a legal paradox. The law cannot keep pace with the series of incidents. This gives one an idea of how extraordinary a situation this is."

Silent Children

Particularly telling of the extraordinary nature of this case is the sight of the children who were taken for their protection from the "10th Satien" of Kamikuishiki by Yamanashi Prefecture police investigators.

There were 27 boys and 26 girls ranging from age three to 14. Half were of elementary school age. The children's white trainers and shirts were slightly soiled and as many as 31 among the 53 were wearing electrode caps with dozens of red and blue lead wires.

According to an indignant Yoshiaki Ito, attorney of the Aum Shinri Kyo damage countermeasures legal team: "It is not as though those children put the caps on themselves. The adults made them do so. We were requesting that they immediately care for the children inside the cult facility because we heard ample information from cult followers that these growing children were not being supplied with adequate meals and that they were suffering from extreme malnutrition. Although their parents were there, the children were being neglected. Did you see how those poor children we took under our care were completely worn out and dispirited?"

According to a prefectural police reporter, the children, who spent a night in a prefectural child consultation center, "consumed their evening meal in its entirety. They were rapt with attention while watching a video of Anpan Man' and laughed while playing the 'Life Game.' All the electrode caps had been taken off."

When the investigators were taking the children out, cult followers were yelling "return the children!," "this is kidnapping!" However, the children, with an air of innocence, were, for some reason, silent even when they were being carried away by the brawny investigators whom they did not even know. Almost as though they were relieved, they clung firmly to the police officers

with their thin arms. Some children buried their faces in the chests of the police officers.

None screamed "mama! mama!"

North Korea

Government Delegation Departs for Kuala Lumpur

SK1805101895 *Pyongyang KCNA in English*
1012 GMT 18 May 95

[FBIS Transcribed Text] Pyongyang, May 18 (KCNA) — A delegation of the Democratic People's Republic of Korea headed by Kim Kye-kwan, vice-minister of foreign affairs, left here today to take part in the DPRK-U.S. talks scheduled to be held in Kuala Lumpur from May 19 according to the agreement between the DPRK and the United States.

It was seen off at Pyongyang railway station by Choe U-chin, vice-minister of foreign affairs, and officials concerned.

Commentary Supports 'New Peace Mechanism'

SK1805050395 *Pyongyang KCNA in English*
0449 GMT 18 May 95

["We Cannot But Take Countermeasure" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 18 (KCNA) — The bellicose quarters of the United States are resorting to war adventure when contacts for the implementation of the DPRK-U.S. framework agreement are under way.

This is intended to block the implementation of the agreement and further aggravate the situation of the Korean peninsula, says NODONG SINMUN today.

In a commentary entitled "We Don't Beg for Peace" the paper says that the U.S. warmaniacs, turning aside the DPRK's peace proposal, are massively reinforcing the aggression forces in South Korea and its surroundings and staging undisguised war games against the northern half of Korea.

The United States must be well aware that a war might break out in the Korean peninsula by accident now that the nominal armistice watch body remains no longer, it notes, and goes on to say:

The best way of ensuring peace in Korea is to replace the armistice agreement with a peace one and establish a new peace mechanism.

We will do our utmost for peace but never beg for it. Our people are opposed to war but will never show mercy to the aggressors who are trying to encroach upon the dignity of our nation and sovereignty of our country.

If the United States continues going along the road of war adventure, ignoring our peace proposal, we cannot but take a due countermeasure.

The United States must renounce its foolish wild design to stifle the DPRK with strength.

CPRF Decries Kim Yong-sam's Remarks on North

SK1805051795 *Pyongyang Korean Central Broadcasting Network in Korean*
2100 GMT 17 May 95

[FBIS Translated Text] A spokesman for the Committee for the Peaceful Reunification on the Fatherland [CPRF] issued the following statement in connection with the fact that traitor Kim Yong-sam has recently let out provocative outpourings by viciously finding fault with us.

The statement by the CPRF spokesman: Traitor Kim Yong-sam, in an interview with the president of Japan's MAINICHI SHIMBUN on 10 May, viciously heaped abuses on us. Again on 15 May, he enumerated reckless remarks slandering us at the opening ceremony of the general assembly of the International Press Institute [IPI], evoking the indignation of all our fellow countrymen.

Traitor Kim Yong-sam let loose a string of extremely provocative and high-handed outpourings on such issues as the North's opening to the outside world, the North's intensification of hostile policy toward the South, and even human rights. Traitor Kim Yong-sam stands in the van and is bent on slandering us. These imprudent acts reflect his uneasiness caused by isolation and rejection at home and abroad. This is also nothing but the last resort to check in advance his master's attitude toward the talks by slandering us.

We do not see it as a commonplace event that Kim Yong-sam, South Korea's so-called responsible person in authority, took the lead in absurdly slandering us. We closely watch what he says and does.

Of course, we have already known that Kim Yong-sam has a big mouth and says one thing and does another, as the South Korean people at various level say. However, we cannot tolerate the fact that Kim Yong-sam, a person in authority who dreams of holding summit talks with us, viciously slanders us and keeps on repeating distorted and provocative remarks against us. We have had a lot to say about Kim Yong-sam, but restrained ourselves with self-control. However, there are limits.

We are holding a sword by the hilt. If anyone attempts to pull out the sword, he is sure to cut himself with it.

Under the condition in which Kim Yong-sam, bereft of reason, is groundlessly slandering us, we cannot help saying something necessary, considering that it is high time we do so.

There is an old saying: It is more dreadful to have an open mouth than to have a manure tug busted open. We do not like to say anything that is not true. If Kim Yong-sam thinks he can go scot-free and survive to the last even though he is acting without discretion and viciously slandering us with no regard to the consequences, he is mistaken.

The destiny of Kim Yong-sam, who encourages antagonism and confrontation between fellow countrymen, is already on the decline. The public sentiments in South Korea are shifting away from Kim Yong-sam with each passing day, and people are turning their back on him.

The reality shows that, with leaving traitor Kim Yong-sam intact, not only the domestic problems but also all the problems arising in North-South relations cannot be settled. Traitor Kim Yong-sam, both abandoned in the South and the North, should be removed as soon as possible.

The South Korean people at various levels should resolutely overthrow traitor Kim Yong-sam, cancer-like figure to the national reconciliation and unity, and the reunification of the fatherland, through a mass struggle. This is the only way of improving North-South relations, promoting national unity, and reunifying the fatherland in the nineties.

We firmly believe that workers, farmers, youths and students, intellectuals, and all other people at various levels in South Korea who love the country and worry about the future of the nation will be firmly united and will invariably rise up to the nation-wide struggle to overthrow traitor Kim Yong-sam.

[Dated] 17 May 1995, Pyongyang

'Provocative' Remarks Denounced

SK1705154895 *Pyongyang KCNA in English*
1527 GMT 17 May 95

[FBIS Transcribed Text] Pyongyang, May 17 (KCNA) — A spokesman of the Committee for the Peaceful Reunification on the Fatherland [CPRF] issued a statement today denouncing the traitor Kim Yong-sam for making these days provocative, high-handed remarks such as "opening of the North to the outside world," "intensified policy of the North hostile to the South" and "human rights."

Kim Yong-sam in an interview with the president of the Japanese newspaper MAINICHI SHIMBUN on May 10

hurled abuses at the North. He also slandered the North at the "opening ceremony of the Seoul conference of the International Press Institute" on May 15. The statement says: The traitor Kim Yong-sam is taking the lead in the smear campaign against the North these days. This imprudent act reflects his uneasiness caused by isolation and rejection at home and abroad. This is an attempt to affect in advance his master's attitude at the forthcoming DPRK-U.S. talks by hurling abuses at the North.

We cannot allow Kim Yong-sam, who dreams of summit talks with the North, to repeat distorted and provocative remarks against the North and hurl abuses at it.

We have had a lot to say about Kim Yong-sam, but restrained ourselves.

Now that Kim Yong-sam, bereft of reason, is groundlessly slandering the North, we cannot but say something necessary, considering that it is high time we did so.

Kim Yong-sam is mistaken if he thinks he can go scotfree and survive to the last even though he is acting without discretion and viciously slandering the North in disregard of the consequences.

The fate of Kim Yong-sam, who encourages antagonism and confrontation between fellow countryman, is already on the decline.

The situation proves that with the traitor Kim Yong-sam left in power, none of the problems in the North-South relations can be solved, to say nothing of the internal affairs of South Korea.

Kim Yong-sam forsaken by both the South and the North must be removed as soon as possible.

The South Korean people must resolutely wage a mass struggle to oust the traitor.

This is the only way of improving North-South relations, promoting national unity and reunifying the country in the 1990s.

Kim Yong-sam's 'Reckless Gibberish' Denounced

SK1805075995 *Pyongyang Korean Central Broadcasting Network in Korean*
1225 GMT 17 May 95

[Commentary by Yun Pyong-son: "Civilian Rogue's Reckless Gibberish"]

[FBIS Translated Text] The South Korean traitor Kim Yong-sam these days has taken the lead to slander us, groundlessly finding fault with us. The rascal found fault with us on 12 May in an interview with the Japanese

newspaper MAINICHI SHIMBUN. He recklessly enumerated the provocative, absurd remarks slandering us at an opening ceremony of the Seoul congress of the International Press Institute on 15 May. In slandering us, the rascal said that it would be inevitable for the North to open itself up and that the North had intensified its hostile policy toward the South. He also mentioned our human rights situation.

We know very well that the traitor Kim Yong-sam, as people across South Korea say, is loose-lipped and talks recklessly. Therefore, in a sense, his gibberish is not worthy of comment.

However, his raving, in which he, a responsible person in authority, found fault with us, is very vicious and provocative. Therefore, we have no choice but to deliver a blow. One of the major issues over which the traitor Kim Yong-sam found fault with us is the issue of opening up. If he is in his right mind, he surely knows that we, under the banner of independence, peace, and friendship, are developing friendly and cooperative relations with people of all countries of the world that respect our sovereignty and treat us in a friendly manner.

In recent days alone, we hosted the grand Pyongyang International Sports and Cultural Festival for Peace. A total of 10,000-odd professional wrestlers, tourists, and overseas compatriots from the United States and other Western capitalist countries participated in this festival. The traitor Kim Yong-sam, turning a blind eye to this stark fact, raved about our opening up. He truly is an idiot.

The traitor Kim Yong-sam raved as if we were responsible for the worsened North-South relations. This, too, is a shameless babble, like an act of a thief turning on the victim with a club. It is well known that we presented the 10-point program of the great unity of the entire nation for the reunification of the fatherland and have made positive efforts to ensure that all fellow countrymen in the North and South and abroad transcend differences in ideas, systems, political views, and religions and achieve reconciliation and unity.

Who in the world committed inhumane brutal acts such as aiming guns at his sorrowful fellow countrymen's backs and detaining people for expressing condolences over his fellow countrymen's accident and totally broke up North-South relations, far from courteously expressing condolence? Who is frantically staging joint military exercises for northward aggression designed to harm his fellow countrymen, military exercises identical to the "Team Spirit" exercise, with foreign aggressors and bringing the situation on the Korean peninsula to the brink of war? Are all of these not deliberate confrontational maneuvers to aggravate North-South relations?

The Kim Yong-sam clique, disguised as a civilian regime, is maintaining the notorious antinational, antireunification fascist National Security Law, the trash of the Cold-War era that considers the fellow countrymen to be an enemy, and the Agency for National Security Planning, the headquarters of anticommunism, fascism, oppression, and smear campaigns, and using them in harshly suppressing forces of reunification, patriotism, and democracy in South Korea. A mere child would know this is an act by those who seek to engage in North-South confrontation and win a victory over communism, rather than improving North-South relations and holding dialogue. The traitor Kim Yong-sam has no right finding fault with us over North-South relations.

These days, the Kim Yong-sam clique is raving about resuming dialogue or promoting cooperation and exchange. Needless to say, this is a deceptive scheme to conceal its antireunification and antidialogue colors and fulfill its vicious political objective.

The traitor Kim Yong-sam also found fault with someone else's nonexistent human rights problem. This, too, is a cunning trick to conceal the reality of South Korea, which human rights organizations of the world call a wasteland of human rights. All people form a big, harmonious family and are enjoying the most valuable lives in political, economic, cultural, and all other fields of social lives under socialism of our own style, in which the *chuche* idea is embodied. The world acknowledges this. Our people are ready to unhesitatingly risk their lives if they are to defend this thankful socialism of our own style. How can there be a human rights problem?

This being the case, why does the traitor Kim Yong-sam dare to find fault with us and take the lead in slandering us? He does so to divert attention at home and abroad because the Kim Yong-sam clique, which took power under the veil of a civilian regime, felt extremely uneasy over the fact that it had been effectively isolated and rejected due to policy failures at home and abroad. He does so, also, out of a cunning scheme to keep in check, in advance, the U.S. masters' attitude toward the DPRK-U.S. talks by slandering us when the talks are on the horizon.

However, as the saying: Curses, like chickens, come home to roost goes, the more frantically the Kim Yong-sam clique slanders us with a vicious intention, the more it will result in spitting on its own face.

Our nation has long ago removed the name of the toadyist nation-seller and traitor Kim Yong-sam from it. It is very clear that if the Kim Yong-sam clique is left intact, not only any urgent problem in South Korea but also any problem in North-South relations

cannot be solved in compliance with national interests. Therefore, workers, peasants, young people, students, intellectuals, and people from all other walks of life in South Korea must more strongly unite under the banner of independence, democracy, and reunification and boldly stand up in the decisive struggle to overthrow the Kim Yong-sam clique.

Meeting Marks Anniversary of Kwangju Uprising

*SK1705154195 Pyongyang KCNA in English
1521 GMT 17 May 95*

[FBIS Transcribed Text] Pyongyang, May 17 (KCNA) — A Pyongyang mass meeting was held at the Pyongyang Indoor Stadium on May 17 on the lapse of 15 years since the heroic Kwangju popular uprising.

Present there were Vice-president Yi Chong-ok, member of the Political Bureau of the Central Committee of the Workers' Party of Korea [WPK]; Secretary of the party Central Committee Choe Tae-pok and Chairman of the Supreme People's Assembly Yang Hyong-sop who are alternate members of the Political Bureau of the WPK Central Committee; Yu Mi-yong, chairwoman of the Central Committee of the Chondoist Chongu Party; and Yi Chong-sang, chief of the Pyongyang mission of the National Democratic Front of South Korea; as well as more than 10,000 people from all walks of life in the city.

On May 18, 1980, South Korean students and people rose up in a massive uprising in Kwangju, unable to endure the frantic suppression by the military fascist clique, and seized Kwangju through a massive armed action and defended it for ten days.

A total of one million people took part in the heroic resistance.

Upset by this, the U.S. imperialists transferred 70,000 puppet troops and over 150 tanks and armoured vehicles under their competence to the South Korean fascist clique. In some ten days of suppression of the resistance, the fascist clique mercilessly killed as many as 5,000 people and wounded 14,000 others.

Choe Tae-pok said in his speech:

Although the Kwangju popular uprising was frustrated under the military suppression by the South Korean military fascist junta, it dealt a telling blow to the colonial fascist rule of the U.S. imperialists and their stooges, marked a new epochal occasion in the anti-U.S. struggle for independence in South Korea and greatly encouraged the oppressed peoples of the world in their struggle for national liberation and independence.

Referring to the struggle of South Korean students and people for independence against the United States after the Kwangju uprising, he said:

The people from all walks of life are now conducting a powerful anti-U.S., anti-Kim Yong-sam struggle. This struggle is a very righteous patriotic one for independence and democratisation of South Korean society and for national reunification.

The traitorous Kim Yong-sam clique, teaming up with foreign forces and antagonizing the fellow countrymen, is not only totally freezing the dialogue and contacts between the North and the South and running about with outcries for the "international cooperation system" but also getting frantic in the ceaseless anti-national row of confrontation, military provocations and war gambles now when the DPRK-U.S. framework agreement is being implemented. The heinous confrontation racket and war moves of the Kim Yong-sam group clearly show that "dialogue" and "unification" on their lips are a sham and hypocritical.

The "international cooperation system" is incompatible with the North-South dialogue. The South Korean ruling quarters' maintenance of the "National Security Law" which defines the fellow countrymen as the "enemy" means that they have given up by themselves the qualification as the dialogue partner.

If the traitorous Kim Yong-sam clique continues to resort to the confrontation and war moves, this will result only in plunging the whole nation into an irrevocable disaster of war, instead of the dialogue and reunification.

I take this opportunity of strongly urging once again the South Korean ruling quarters to renounce the unjustifiable excuses and unconditionally and immediately send back the unconverted long-term prisoners in South Korea including Kim In-so, Ham Se-hwan and Kim Yong-tae to the northern half of the country.

The South Korean people have not yet achieved democracy because the United States is defending the fascist dictatorial regime in South Korea. And it is due to the U.S. that the peace and reunification of the country have not been realized.

The United States must no longer block the way of independence of South Korean society. Now that it has committed itself to denuclearizing the Korean peninsula and ensuring peace and security there, it must refrain from acting contrary to it and respond to the DPRK's proposal for establishing a new peace mechanism as soon as possible.

The South Korean students and people from all walks of life should wage a more valiant struggle to thoroughly probe the truth behind the Kwangju incident, punish the principal culprits of it, abolish the "National Security Law," an anti-reunification law, and dissolve the "Agency for National Security Planning", liquidate the present "civilian"-veiled fascist repressive system and establish an independent and democratic government.

The entire Koreans in the North, the South and overseas should smash the vicious challenge and obstructive schemes of the splittist forces within and without and successfully hold a grand national reunification festival celebrating the 50th anniversary of the national liberation and thus, adorn this year as a historical year which will bring about a new turn in the history of the reunification movement of the Korean nation.

Speeches were made by representatives of different strata.

A poem "Kwangju Will Win Victory" was recited at the meeting.

Havana Mission Marks Anniversary of Kwangju

*SK1505110295 Pyongyang KCNA in English
1015 GMT 15 May 95*

["Kim Yong-sam Regime's Fascist Tyranny Exposed"
— KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 15 (KCNA) — Pak Kwang-ki, chief of the mission of the National Democratic Front of South Korea (NDFSK) in Havana, called a press conference in Cuba on May 11 on the lapse of 15 years since the Kwangju popular uprising.

The desire of the South Korean people for independence, democracy and reunification has not yet been realized, he said, pointing out the reasons.

He said:

It is the reality of South Korea today that the U.S. colonial rule still remains and the "civilian"-veiled fascist tyranny is daily getting more undisguised.

The Kim Yong-sam regime not only maintains all the fascist laws including the "National Security Law", an anti-democracy, anti-national and anti-reunification evil law, and the repressive tools but is reinforcing them.

The regime has been cracking down on the pro-reunification patriotic forces by cooking up "spy cases" and opened rice market and other sectors of the economy to the United States at its request.

Far from making an apology for its heinous crimes, the Kim Yong-sam group has been pleading with the United States to involve the inter-Korean issue in the

talks for improvement of the DPRK-U.S. relations. And it is laying obstacles in the way of the implementation of the DPRK-U.S. framework agreement by raising the non-existent "South Korean-model" light-water reactors issue.

All the facts evidently prove that with the Kim Yong-sam group left alone it is impossible to realize the desire of our people for independence, democracy and reunification, Pak Kwang-ki said, and declared:

The NDFSK and the patriotic people of South Korea will overthrow the Kim Yong-sam fascist traitorous regime and establish an independent and democratic government and wage a vigorous struggle for peace and peaceful reunification of the Korean peninsula.

Lao Assembly Delegation Concludes Visit

Meets With Vice President Yi

*SK1505232095 Pyongyang KCNA in English
1509 GMT 15 May 95*

[FBIS Transcribed Text] Pyongyang, May 15 (KCNA) — Vice-president Yi Chong-ok met and had a friendly talk with the visiting delegation of the National Assembly of the Lao People's Democratic Republic led by Saman Vignaket, president of the National Assembly, at the Mansudae Assembly Hall today.

Present there were secretary-general of the standing committee of the Supreme People's Assembly Yi Mong-ho and Lao Ambassador to Korea Dalaloi Ponmek.

The president of the National Assembly said that the death of the great leader President Kim Il-song is a big loss not only to the Korean people but also to the Laotian people and that he made great contributions to the development of the friendly and cooperative relations between the two countries.

He said he was very happy to see the Korean people holding in high esteem the dear leader Comrade Kim Chong-il who is carrying forward the revolutionary cause of the great leader Comrade Kim Il-song. He hoped that the Korean people would achieve the reunification of the country, their supreme desire, at an early date.

Departs Pyongyang 16 May

*SK1705011095 Pyongyang KCNA in English
2217 GMT 16 May 95*

[FBIS Transcribed Text] Pyongyang, May 16 (KCNA) — The Laotian National Assembly delegation led by its President Saman Vi-gnaket left here today after visiting Korea at the invitation of the Supreme People's

Assembly [SPA] of the Democratic People's Republic of Korea.

It was seen off at the airport by Chairman of the SPA Yang Hyong-sop and officials concerned.

During its stay in Korea, the delegation visited Mangyongdae, the Tower of the Chuche Idea, the Arch of Triumph, the Korean Revolution Museum, the Mansudae Assembly Hall, the Pyongyang metro and other places in Pyongyang and local areas.

After the visit to the West Sea barrage, Saman Vignaket wrote in the visitor's book:

"The Korean people built the grand barrage across 8 kilometres of rough sea, leveling mountains.

"All the achievements of the Korean people in the revolution and construction are a result of the wise leadership of the great leader President Kim Il-song and the dear leader Comrade Kim Chong-il.

"We wish the Korean people greater success in socialist construction."

Meeting Opens Week of Korea-Iranian Friendship

SK1505232195 *Pyongyang KCNA in English*
1511 GMT 15 May 95

[FBIS Transcribed Text] Pyongyang, May 15 (KCNA) — A week of Korea-Iran friendship was established on the 6th anniversary of the visit of Seyed 'Ali Khamene'i, Islamic leader of Iran, to Korea.

The meeting was held here today.

Present at the meeting were Chairman of the Korea-Iran Friendship Association Yi Chol-pong, who is minister of city management, officials concerned and working people in the city.

Invited to the meeting were the charges d'affaires ad interim and officials of the Iranian Embassy in Korea.

Speeches were made at the meeting.

Participants appreciated a Korean documentary film.

They saw photos introducing Iran before the meeting.

Meeting Held To Support Palestinians' Struggle

SK1705064795 *Pyongyang KCNA in English*
0453 GMT 17 May 95

[FBIS Transcribed Text] Pyongyang, May 17 (KCNA) — A meeting was held here on Tuesday on the occasion of the week of support to the Palestinian people's struggle.

Addressing the meeting Yi Song-ho, vice-chairman of the Korean Committee for Afro-Asian Solidarity, re-

ferred to the righteous struggle waged by the Palestinian people with a long history and cultural traditions to retake their lost territory and legitimate national rights.

He said:

The state of Palestine was founded through the struggle for the national liberation. It was an important event encouraging the Palestinian people in the struggle for the liberation of the country and national independence.

The imperialists and their followers who dislike the peace process in the Arab land of Palestine are expanding "settlements" in the occupied areas, recklessly murdering and suppressing the peaceful inhabitants and threatening countries in this region with nuclear arms, proceeding from the stand of strength even today when the Cold War ended.

For the final solution of the Palestinian issue the aggressors should totally be withdrawn from the occupied territory and the legitimate national rights of the Palestinian people be restored.

The Korean people will firmly stand on the side of the Palestinian people who are struggling for a political solution of the Palestinian issue and for the acceleration of peace process in the Middle East, he declared.

Speaking next, Palestinian Ambassador to Korea Ibrahim Muhammad said that the Palestinian people are yearning with the deepest reverence for the great leader President Kim Il-song who had granted all possible disinterested support and aid for the continued strengthening and development of the Palestinian revolution since its start.

The Palestinian people will continue efforts to strengthen the friendship and solidarity with the Korean people who are under the wise guidance of Comrade Kim Chong-il, the great leader of the Workers' Party and the people of Korea, the ambassador said.

They recognize the "10-point programme of the great unity of the whole nation for the reunification of the country" advanced by the great leader Comrade Kim Il-song as the most reasonable way for the reunification of the Korean nation and fully support the proposal for replacing the Korean Armistice Agreement with a peace agreement, he added.

He said they extend warm greetings to the friendly Korean people who are making a long stride to significantly mark the 50th anniversaries of the foundation of the Workers' Party of Korea and the national liberation, under the wise and extraordinary leadership of the great leader Comrade Kim Chong-il, true to the behests of the great leader Comrade Kim Il-song.

A letter to the president of the state of Palestine was adopted at the meeting.

Paper Supports Struggle of Palestinian People

SK1505051295 Pyongyang KCNA in English
0505 GMT 15 May 95

["Struggle of Palestinian People Supported" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 15 (KCNA) — The Korean people extend full support and solidarity for the just cause of the Palestinian people to retake their land and restore their legitimate national rights on the occasion of "week of support to the struggle of the Palestinian people", says a by-lined article of NODONG SINMUN today entitled "Solidarity With the Palestinian People", and goes on:

The struggle of the Palestinian people enjoys full support and sympathy from the peace-loving people of the world for its justice.

Now the Palestinian people are promoting the work to carry out elections, stabilize social order and improve the living standard of people in her self-governing areas.

Founding an independent state with Kuds as the capital is the desire of the Palestinian people.

For a final solution of the issue of Palestine, Israel should completely withdraw from the occupied lands.

The Korean people will stand on the side of the Palestinian people and actively support their just cause as ever.

Envoy Pays Farewell Call on Lebanese President

SK1505043595 Pyongyang Korean Central
Broadcasting Network in Korean
0100 GMT 12 May 95

[FBIS Translated Text] On 8 May, Yi Yong-sop, our country's ambassador to Lebanon, paid a farewell call on Lebanese President Ilyas al-Hirawi.

At the meeting, the ambassador conveyed greetings from the great leader [yongdoja] Comrade Kim Chong-il to President Ilyas al-Hirawi. The president expressed deep gratitude for this and asked the ambassador to convey his heartfelt greetings to the great leader Comrade Kim Chong-il.

The president expressed gratitude for our people's positive support for the Lebanese people's cause and said he extends solidarity to the DPRK people's struggle for the development and prosperity of the DPRK.

The president pointed out that he firmly believes Korea will be unfailingly reunified under the Korean people's

own strength. He expressed the hope of further developing relations between the two countries.

Cuba Sends Books Written by Jose Marti

SK1805050695 Pyongyang KCNA in English
0435 GMT 18 May 95

[FBIS Transcribed Text] Pyongyang, May 18 (KCNA) — Cuba sent books to the Democratic People's Republic of Korea on the occasion of the centenary of the death of Jose Marti, a national hero of the Cuban people.

The books are his writings.

Present at the ceremony of delivery of the books which was held at the Grand People's Study House on Wednesday were Choe Kwang-yol, vice-director of the Grand People's Study House, and other officials concerned, Jose Ramon Rodriguez Varona, Cuban ambassador to Korea, and officials of the Cuban Embassy.

The books will be displayed in the Grand People's Study House.

Peruvian Political Party Leader Receives Envoy

SK1505021395 Pyongyang Korean Central
Broadcasting Network in Korean
0100 GMT 12 May 95

[FBIS Translated Text] On 5 May, Javier Diez Canseco, general secretary of the Peru Unified Mariateguista Party, received Kim Kyong-ho, our country's ambassador to the country.

At the meeting, the ambassador conveyed greetings from the great leader Comrade Kim Chong-il to General Secretary Javier Diez Canseco.

Expressing deep thanks for this, the general secretary asked the ambassador to convey his warm greetings to the great leader Comrade Kim Chong-il.

The general secretary said he was greatly encouraged by socialist Korea, which is firmly defending its sovereignty and socialism in confrontation with the imperialists' challenge.

The general secretary added he is pleased with the fact the great leader President Kim Il-song's cause has been inherited intact and is developing under the great leader Comrade Kim Chong-il.

He noted he will make active efforts to develop friendship and cooperative relations with the Workers Party of Korea.

Kim Yong-nam Congratulates Austrian Counterpart*SK1705003895 Pyongyang KCNA in English
2213 GMT 16 May 95*

[FBIS Transcribed Text] Pyongyang, May 16 (KCNA) — Vice Premier and Foreign Minister Kim Yong-nam sent a message of greetings to Wolfgang Schuessel upon his appointment as federal vice-chancellor and concurrently federal foreign minister of Austria.

The message expressed the belief that the relations between the two countries would continue to develop on good terms and wished him success at his new post.

Envoy Presents Credentials to Armenian Official*SK1505011695 Pyongyang Korean Central Broadcasting Network in Korean
0100 GMT 12 May 95*

[FBIS Translated Text] On 6 May, Cho Song-pom, our country's ambassador extraordinary and plenipotentiary, presented his credentials to Armenian Vice President Gagik Garushevich Arutyunyan.

At the meeting, the ambassador asked the vice president to convey greetings from the great leader Comrade Kim Chong-il to President Levon Ter-Petrosyan.

Expressing deep thanks for this, the vice president asked the ambassador to convey warm greetings from the president to the great leader Comrade Kim Chong-il, wishing him good health and long life.

The vice president stated that division of the same people is abnormal, and wished that national reunification, which the Korean people desire, will be achieved peacefully at an early date.

He said he wishes the DPRK success in its all work.

Bulgarian Paper Supporting Socialism Cited*SK1305105495 Pyongyang KCNA in English
1010 GMT 13 May 95*

[FBIS Transcribed Text] Pyongyang, May 13 (KCNA) — Socialism will be revived and win a final victory for its scientific accuracy and truth, though it is suffering temporary turns and twists today, declared the Bulgarian paper TRIBUNA in an article May 8 under the title "Socialism Is Sure To Win."

The paper said among other things:

A total of 215 political parties had signed the Pyongyang declaration "Let Us Defend and Advance the Cause of Socialism" as of July 1994 ever since it was adopted in April 1992. This shows that socialism is the objective

of the revolutionary parties and the ideal of progressive humankind.

The political confusion, economic depression, rapid deterioration of living standard and increase of crimes and unemployment caused by "reform," "restructuring" and "market economy" in the countries where socialism collapsed make people keenly feel that the period of socialism was good for them and vigorously fight for the revival of socialism.

Voices for socialism are also ringing aloud from among developing countries.

Today the revolutionary parties and progressive peoples that aspire after socialism have the Pyongyang declaration, which is a "great communist manifesto heralding the revival of the socialist movement and the international communist movement" and a "weapon declaring victory in the cause of socialism."

The way ahead of them is indicated by the works published by Comrade Kim Chong-il, a great thinker and theoretician, in recent years such as "The Historical Lesson in Building Socialism and the General Line of Our Party," "Abuses of Socialism Are Intolerable" and "Socialism Is a Science."

Foreign Leaders Voice Solidarity With Koreans*SK1305151395 Pyongyang KCNA in English
1503 GMT 13 May 95*

[FBIS Transcribed Text] Pyongyang, May 13 (KCNA) — Lebanese, Armenian and Jordanian state and party leaders voiced solidarity with the struggle of the Korean people for the prosperity and reunification of the country when they met the DPRK ambassadors to their countries.

Ilyas Hirawi, president of Lebanon, extended solidarity with the struggle of the Korean people for the development and prosperity of the Democratic People's Republic of Korea. He expressed the belief that the reunification of Korea will certainly be achieved by her people themselves.

Gagik Garushevich Arutyunyan, vice-president of Armenia, said it is abnormal that one nation has been kept divided. He hoped that national reunification, the desire of the Korean people, would be realised in a peaceful way at an early date.

Yacob Zayadine [as received], general secretary of the Central Committee of the Jordanian Communist Party, said that his party has learned much from the struggle of the Korean people, regarding Korea as a model, and Korea set a living example of socialism.

He stressed that they would positively support the Korean people in their socialist construction and struggle for national reunification and that it is their duty.

Express Support for 'Just Cause'

*SK1205133795 Pyongyang KCNA in English
1032 GMT 12 May 95*

[FBIS Transcribed Text] Pyongyang, May 12 (KCNA) — The prime minister of Lebanon and party leaders of Nicaragua and Peru expressed support to the Korean people's just cause of socialist construction and the peaceful reunification of the country when they met the Korean ambassadors to their countries and a delegation of the Workers' Party of Korea.

Rafiq al-Hariri, prime minister of Lebanon, wished Korea continued prosperity under the wise leadership of his excellency the great leader Kim Chong-il and the Korean people brilliant success in accomplishing the cause of national reunification.

Daniel Ortega Saavedra, secretary general of the Sandinist National Liberation Front of Nicaragua, said that the front has always supported the proposal for the independent, peaceful reunification of Korea laid down by the great leader Comrade Kim Il-song.

He expressed the belief that the Korean people's cause of national reunification will be accomplished without fail under the tested leadership of the dear leader Comrade Kim Chong-il.

He stressed that the Sandinist National Liberation Front would fully support the Korean people's cause of national reunification in the future, too.

Javier Diaz Canseco, general secretary of the United Mariateguista Party of Peru, said that they are greatly inspired by socialist Korea which is firmly defending its sovereignty and socialism against the challenge of the imperialists.

He pointed out that it is pleasant that the cause of the great leader President Kim Il-song is being carried forward by the great leader Comrade Kim Chong-il.

Foreign Officials Support National Reunification

*SK1505105995 Pyongyang KCNA in English
1003 GMT 15 May 95*

[FBIS Transcribed Text] Pyongyang, May 15 (KCNA) — Party leaders of different countries expressed their support to the Korean people's cause of the socialist construction and national reunification, when they recently met a delegation of the Workers' Party of Korea or Korean ambassadors.

Eli Altamirano, general secretary of the Central Committee of the Communist Party of Nicaragua, said:

I highly praise the Workers' Party of Korea and the Korean people for vigorously advancing with the banner of socialism upheld for peace and security in Korea, Asia and the world under the wise guidance of the great leader Comrade Kim Chong-il. I am convinced that they will steadfastly advance along the road of socialism.

Budragchagiyn Dashyondon, general secretary of the C.C. [Central Committee] of the Mongolian People's Revolutionary Party, said:

It gives me pleasure that today the Korean people have changed their sorrow and grief at the loss of President Kim Il-song into strength and courage and achieved brilliant successes in all sectors under the wise guidance of the great leader Comrade Kim Chong-il.

The Mongolian People's Revolutionary Party wishes the Korean people greater success in the struggle for prosperity and the reunification of the country.

Rafiq Ahmad Sheikh, secretary general of the Pakistan People's Party, expressed the belief that Korea will be certainly reunified by way of confederacy put forward by his excellency the great President Kim Il-song.

Talal Hafun Ala Mai, general secretary of the People's Unity Party (Unionist) of Jordan, pointed out that they will continue to support the Korean people's struggle for the national reunification.

Foreign Leaders Support Calls of WPK Committee

*SK1605235595 Pyongyang KCNA in English
2149 GMT 16 May 95*

[All names as received]

[FBIS Transcribed Text] Pyongyang, May 16 (KCNA) — The calls of the Central Committee [C.C.] of the Workers' Party of Korea [WPK] published on April 30 on the occasion of the 50th anniversary of its foundation have been supported in foreign countries.

Indrajit Gupta, general secretary of the National Council of the Communist Party of India, said when he met the Korean ambassador to India on May 10 that the calls of the C.C. of the WPK comprehensively reflect the steadfast faith and will of the WPK to brilliantly accomplish the cause of socialism under the wise guidance of the great leader Comrade Kim Chong-il who perfectly personifies the revolutionary thought, theory, work method and art of leadership of the great leader Comrade Kim Il-song.

He expressed full support to all the strategic, tactical and principled targets raised by the calls.

Binod Tiwari, secretary general of the Delhi State Committee of the Indian Socialist Party, made public a statement on May 8 stressing that the calls of the C.C. of the WPK are not only an appeal to all the members of the WPK and the Korean people, but also a militant appeal to the progressive people of the world who are struggling for freedom, equality, and socialism.

He noted that the world's attention is being focused on Pyongyang again and that the blockade and pressure of the imperialists against socialist Korea will end in failure as in the past.

The Zimbabwean National Committee for the Study of the Chuche Idea and the Zimbabwe-Korea Solidarity and Friendship Association in their statements on May 10 fully supported the calls of the C.C. of the WPK and sincerely wished the fraternal Korean people great success in carrying out the tasks of the calls.

A seminar on the calls was held in India on May 8 under the sponsorship of the Asian Regional Institute of the Chuche Idea.

Govind Narain Srivastava, secretary general of the institute, emphasized that in the spirit of the calls the institute will actively fight to smash the imperialists' moves for domination, subjugation, aggression and intervention, further strengthen the Non-aligned Movement, ensure the durable peace in Asia and the world and dismantle all the nuclear weapons.

Foreign Tourists, Overseas Koreans Praise Nation

*SK1205152095 Pyongyang KCNA in English
1510 GMT 12 May 95*

[FBIS Transcribed Text] Pyongyang, May 12 (KCNA) — Foreign tourists and overseas Koreans were struck with admiration at ever developing socialist Korea, when they went round her various places.

David Fennell, a member of the Orbit tourist group of the United States, said: Korea is a country which deeply impresses the people. I came to Korea and saw a wonderful city which cannot be seen anywhere.

Korea is being misrepresented in the United States, but Korea is a clean country, in which everything goes well.

Zhang Wufu, a member of the 16th Dandong tourist group of China, said: Pyongyang, which was totally destroyed by bombing of the U.S. imperialists in the past Korean war, has brought about a great change over more than 40 years. The city is very clean and beautiful and the people live a happy life.

All the achievements made in Korea are the result of the wise leadership of the great leader President Kim Il-song.

Li Yongpan, president of Luye Company of Hong Kong, said: The Grand People's Study House in which all the people can study has been built in the best place of the centre of Pyongyang. Through this, I deeply felt the noble virtues of President Kim Il-song who loved the people and paid deep attention to the education of the country. Sun Yubo, a member of the 16th Dandong tourist group of China, noted: The entire people are united as one in Korea. Socialist Korea founded by President Kim Il-song and led by Comrade Kim Chong-il is a great country.

Kim Pyong-son, a Korean resident in Canada, said: I saw many barrages, visiting different countries of the world but I have not seen such a large and wonderful barrage as the West Sea [Yellow Sea] barrage. The might of Korea is strong, indeed.

Pakistani Groups on Marking of Kim Il-song Death

*SK1705045695 Pyongyang KCNA in English
0432 GMT 17 May 95*

[FBIS Transcribed Text] Pyongyang, May 17 (KCNA) — The Pakistan Labour Union, the Pakistan National Youth Union and the Pakistan-Korea Workers and Peasants Friendship Association jointly adopted in Lahore on May 9 an appeal calling upon the progressive political parties and organisations of friendship with the Korean people and other organizations in all countries to set July 8, when the great leader President Kim Il-song passed away, as "the day of immortality of the great sun of chuche".

The appeal said:

President Kim Il-song brought a new era of independence, when the working masses have become the masters of history, by founding the immortal chuche idea and illumining the whole world with its great banner.

President Kim Il-song was the brilliant pioneer and the sun of guide who led all the progressive peoples and countries of the world to firmly unite and cooperate with each other in building a new independent society and defending justice and peace. He will always live in the hearts of the Korean people and humankind of the world.

The appeal called for setting July 8, when President Kim Il-song suddenly passed away, as "the day of immortality of the great sun of chuche" and making it traditional to hold a grand and solemn memorial service wishing for the immortality of President Kim Il-song on this unforgettable historical day.

The appeal called for energetically introducing and propagandising the greatness, immortal exploits and

chuche idea of President Kim Il-song and holding seminars on his works, symposiums on his exploits, commemorative meetings and other diverse political and cultural functions on this day every year and for extending full support and active encouragement before and after this day to the Korean people in their struggle to defend socialism and reunify their country, rallied around his excellency the great leader Kim Chong-il.

Ceremony Honoring Kim Il-song Held in Pakistan

*SK1505045195 Pyongyang KCNA in English
0442 GMT 15 May 95*

[FBIS Transcribed Text] Pyongyang, May 15 (KCNA) — A ceremony for hanging a portrait of the great leader President Kim Il-song was held at building of the Pakistan-Korea Workers and Peasants' Friendship Association, on May 8.

There were speeches at the ceremony.

Speakers said that respected President Kim Il-song was the world's recognized outstanding leader and that the august name of the president who devoted all his life for the popular masses would shine forever generation after generation.

The exploits President Kim Il-song performed in founding the immortal chuche idea and building socialism be conveyed for all ages, they emphasized, and noted:

"The Pakistani people will remember President Kim Il-song forever."

Kim Il-song's Portrait Hung in Indian Building

*SK1305042895 Pyongyang KCNA in English
0419 GMT 13 May 95*

[FBIS Transcribed Text] Pyongyang, May 13 (KCNA) — A portrait of the great leader President Kim Il-song was hung in the office building of the Centre of Indian Trade Unions with a due ceremony on May 5.

In his address, K. Banerji [spelling of name as received], secretary of the centre, said it was a great honour and privilege for the Indian working class and trade union officials to hang a portrait of President Kim Il-song in the office building of the Centre of Indian Trade Unions. This expresses high tribute to respected Comrade Kim Il-song, who devotedly fought for victory in the cause of the Korean and the world revolution till the last moment of his life, he added.

Then, a portrait of President Kim Il-song was hung on the wall of the ceremony hall amid loud applause of the participants and their cheers "Long live the great leader Comrade Kim Il-song!"

In his address, M.K. Pandey [spelling of name as received], secretary general of the Centre of Indian Trade Unions, said:

"The officials of the Centre of Indian Trade Unions will follow the brilliant life of the great leader Comrade Kim Il-song, a fine son of the Korean nation and the greatest of revolutionaries, taking care of his portrait.

"The history of his revolutionary activities is a history of his great affection, deep trust and care for the working class and other working masses, his great devotion and his loyalty to the cause of socialism and communism.

"His august name will shine long with history and he will be praised as the sun of humankind forever."

Nepalese Institute Publishes Book on Kim Il-song

*SK1305042795 Pyongyang KCNA in English
0415 GMT 13 May 95*

[FBIS Transcribed Text] Pyongyang, May 13 (KCNA) — The Baktapur Institute of Korea in Nepal published the book "Our Recollection of Comrade Kim Il-song" to mark the birth anniversary of the great leader President Kim Il-song.

Printed on the front cover of the book is a portrait of President Kim Il-song.

A picture of President Kim Il-song making an address on his triumphal return home and a picture of him among his father and mother and brothers are printed on the back of the front cover.

A picture of President Kim Il-song taken with Comrade Kim Chong-suk during the anti-Japanese armed struggle, a picture of his native house in Mangyongdae and a picture of Kimilsongia are seen on the back cover of the book.

Edited in the book are a brief history of revolutionary activities of President Kim Il-song, the poem "Mt. Myohyang in Autumn" composed by him, the reminiscences of the chairman of the Nepal Worker-Peasant Party "Comrade Kim Il-song," the poems "Our Mind" and "Where Are You, Comrade Kim Il-song" composed by foreigners and an article titled "Comrade Kim Il-song, Great Leader of Communist Movement."

The preface says the book is published in order to convey down to posterity the distinguished exploits of Comrade Kim Il-song, the great leader of the international communist movement and the world revolution.

World 'Anti-Imperialists' Urged To Firmly Unite*SK1605235995 Pyongyang KCNA in English**2206 GMT 16 May 95*

["NODONG SINMUN Calls For Unity of Anti-Imperialist, Independent Force for Global Independence" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 16 (KCNA) — All anti-imperialist, independent forces the world over should get firmly united and conduct a dynamic struggle for global independence and thus put a period to imperialist domination and interference and build an independent, new world, says NODONG SINMUN in a signed article today.

An independent world means one free from domination and subjugation, interference and pressure; it is a world where all countries and nations exercise their sovereignty to the full as the masters of their own destinies.

The article says one of the calls of the Central Committee of the Workers' Party of Korea published on the occasion of the 50th foundation anniversary of the party is to promote the cause of global independence with redoubled efforts. It mirrors the demand of the era of independence and desire and aspirations of the progressive people of the world, the article says.

It quotes the great leader Comrade Kim Chong-il as saying:

"The driving force of the struggle to make the whole world independent is the combined anti-imperialist, independent forces. The anti-imperialist, independent forces must unite so as to put an end to domination and subordination and interference and pressure by the imperialists, to establish a fair international order based on independence, to eliminate aggression and war and to ensure world peace and security."

It is a fundamental factor in victory to strengthen the driving force in a revolutionary struggle and enhance its role.

The driving force of the struggle for global independence is socialist countries, international communist movement and working-class movement, national liberation movement, Non-aligned Movement, world peace movement and all other anti-imperialist, independent forces.

Unity leads to victory while division leads to failure. It is a truth confirmed by history. Now that imperialists are resorting to vicious manoeuvrings to split and alienate the anti-imperialist, independent forces, the key to victory is for the anti-imperialist, independent forces to answer them with strategy of unity.

Independence, peace and friendship are a basis for all forces that are interested in global independence to stand together.

What is important for all peoples advocating independence to get united and conduct a more dynamic struggle for global independence is that revolutionary parties, their hardcore detachments, should strengthen internationalist unity and solidarity among other things.

The internationalist unity and solidarity of the revolutionary parties should be achieved on the basis of socialism and independence.

"Let the world people advocating independence unite!" This is an internationalist slogan that should be put up by all peoples of our times.

The Korean people under the sagacious guidance of the great leader Comrade Kim Chong-il will continue an energetic struggle for global independence in a firm unity with all anti-imperialist, independent forces of the world.

North Said 'Center' of Socialist Reconstruction*SK1205122595 Pyongyang KCNA in English**1045 GMT 12 May 95*

["Korea Is Centre of Movement for Reconstruction of Socialism" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 12 (KCNA) — NODONG SINMUN on Thursday carried an article entitled "Korea Is the Centre of the Movement for Reconstruction of Socialism" written by Dr. T. B. Mukherjee, president of the Asian Regional Institute of the Chuche Idea and winner of the "International Kim Il-song prize".

The author said that Korea has become the centre of the movement for reconstruction of socialism because she has been guided by the great leader of the progressive people, His Excellency Kim Chong-il, who has personally undertaken the cause of reconstruction of socialism, the most difficult international task raised by the present era, and is hewing out the road of the present time and that to be taken by the 21st century, and went on:

It is none other than His Excellency Kim Chong-il produced by Korea who has energetically led humankind to the future of socialism again under the banner of reconstruction of socialism when the progressive humankind has been in agony of finding the road to be followed by themselves since the tragedies took place in the Soviet Union and the East European socialist countries toward the end of the 1980s and the early 1990s.

It was recognized in the world that His Excellency Kim Chong-il published the work "On Some Problems

of Education in the Chuche Idea" in July 1986 and clarified the essential differences between socialism and capitalism and rang an alarm-bell against the attempts to restore capitalism. At that time nobody could see through the true colours of the renegades of socialism or predict that socialism would be collapsed in some countries. This instance proves that he keenly saw with his farseeing wisdom the socio-democratic tendencies appearing in socialist countries from the middle of the 1980s and has firmly defended the banner of socialism.

His Excellency Kim Chong-il instilled the conviction of sure victory of reconstruction of socialism into the mind of the world progressive people by reestablishing the idea of socialism on the basis of a new scientific foundation. It is one of the great ideological and theoretical exploits he performed in indicating the road for reconstruction of socialism.

He published "The Historical Lesson in Building Socialism and the General Line of Our Party," "On the Fundamentals of Revolutionary Party Building" and many other works and clarified that the crumbling of socialism in various countries does not mean the failure of socialism as science but the bankruptcy of opportunism which has corrupted socialism.

He gave the truth that socialism is a science and it will be revived without fail, basing himself on the scientific analysis of the collapse of socialism in the former Soviet Union and East European socialist countries.

Korea is shedding her rays all over the world as a bright beacon lighting the road for reconstruction of socialism as she holds His Excellency Kim Chong-il, the outstanding leader of the cause of reconstruction of socialism, in high esteem.

I am convinced through my experiences that Korea is the international centre of awakening people and organizing the work of reconstruction of socialism.

His Excellency Kim Chong-il encourages the progressive parties of the countries where capitalism has been revived to energetically advance for reconstruction of socialism, united under the banner of the Pyongyang declaration.

He has turned the backward flow of the frustration of socialism which was temporarily made in the modern history into the main current of the era of independence. This great exploit is great in the human history.

Single-Hearted Unity Stressed for Prosperity
SK1705121295 Pyongyang NODONG SINMUN
in Korean 19 Apr 95 p 2

[Article by Pak Chong-nam: "Single-Hearted Unity Is a Powerful Tool for Prosperity and Development of Our Country, Our Fatherland"]

[FBIS Translated Text] Our country, our fatherland, is the country of single-hearted unity — the invincible socialist power — in which people are united in a single mind and intent around the great leader [yongdoja] Comrade Kim Chong-il.

The great leader Comrade Kim Chong-il has indicated: "The party and leader [suryong] endlessly love the people, trusting them, while the people highly uphold the party and leader, absolutely relying upon them. This is the true aspect of our single-hearted unity."

For all people to firmly unite as one around the leader [yongdoja] and the leader [suryong] of the revolution, becomes a basis in victoriously advancing the revolutionary cause, as well as in achieving the country's and nation's prosperity and development.

Unity is the destiny of the revolution, as well as the source of the nation's greatness. The revolution begins based on unity and, also, can be victoriously advanced, using unity as a tool. The decisive factor that determines the honor, dignity, and national power of the country and nation lies in the political and ideological might of the nation, the might of unity, not in the economic power nor the number of the population. Unity means the revolution, while national power means unity.

Based on clear truth, history proves that the success or failure of the revolution and the prosperity or ruin of the country depend just upon unity.

The solidness and might of unity lies in the might of single-hearted unity in which ideology, will, and action unite as one. Only when the people unite as one based on ideology and aspiration and when they become an organic and integral whole in which they act as one, being bloodily linked to a center, can they achieve a powerful unity that cannot be broken by anything. Single-hearted unity — unity in which 1 million or 10 million people cherish the same spirit and will whenever they meet together — is the most consolidated and powerful unity among all unities.

The most ideal single-hearted unity the people, who are carrying out the revolution, can achieve is not unity that can be achieved by any nation at any time. Literally, the so-called single-hearted unity is unity in which the leader [yongdoja] and the people ideologically agree and understand each other and, at the same time,

spiritually unite as one. Therefore, this can be achieved only if the people uphold the great leader [yongdoja], the great leader [suryong], and a center of the unity that can make the 10 million ranks unite as one with one ideology and will. Upholding the great leader [yongdoja] and the great leader [suryong], who have an outstanding ideology, extraordinary leadership, and unparalleled virtue, becomes the best glory and fortune for the people who struggle to achieve the country's and nation's prosperity and development with the might of unity.

Our country is the great country of single-hearted unity. Also, our society is the large family of single-hearted unity. This is unprecedented in history.

Our country is a sociopolitical body in which the leader and people immortally live, being completely united as one.

Our single-hearted unity is the invincible unity in which all people unite as one based on the ideology and will of the leader [yongdoja] of the revolution by upholding him as the father of the people, the great teacher, to whom they can entrust their destiny. Also, this is the unity in which all people have the same spirit, as well as the unity that has the eternal vitality in which the leader and people endlessly live together, sharing their destiny. This great unity, which cannot be found nor ever existed anywhere in the world, is the great reality that has been achieved and effected in our country through our revolution for the first time in history.

The great leader Comrade Kim Il-song was the outstanding leader of the revolution, sun of our nation, and benevolent father of all of our people, who produced the origin of the single-hearted unity for the first time in the history of our revolution and nation. At an earlier date, revolutionaries and people of Korea had boundlessly admired and followed the great leader, upholding him as the lodestar of unity. This was because they were completely fascinated by the leader's outstanding greatness, boundless and noble ethos, and driving force like the sun.

The ethos of our people — who link the existence and destiny of our nation to the fatherly leader by upholding him as the benefactor who produced an ideology and intent, and as the father who gave them affection — is the proud spirit shown in having the greatest man at the center of the unity, as well as the noble and ideological feeling created in the course of embarking upon the long-distance road of the revolution following the leader. The greatest achievement the great leader Comrade Kim Il-song gained is that with his extraordinary ideology and leadership, he had enabled all of our people to cherish the *chuche* faith and will,

and that with his warm love, he had united our people in unified ranks, embracing them in his bosom.

Our single-hearted unity with a matchless might — which has been firmly consolidated under the very difficult situation of the Korean revolution that pioneers the future road of the nation — has been constantly consolidated and developed into unity by kinship that can be inherited generation after generation as a result of upholding the great leader [yongdoja], who opens the brilliant golden age, at the center of unity. This will endlessly elucidate the bright prospect of the future road of our country, our fatherland. Today, our single-hearted unity is more firmly consolidated and, at the same time, its might is more vigorously strengthened even under the situation of the maximum sorrow of losing the great leader, the father of the nation, who produced the glorious origin of unity. This is because we uphold the respected and beloved General Kim Chong-il at its center.

Above all, the solidness and vitality of our single-hearted unity lies, inevitably, in our people's faith, who endlessly admire and uphold the leader.

Because the single-hearted unity is a combination of mind and spirit based on fascination toward the leader's [yongdoja] greatness and on the single-hearted mind of the people who trust in him, it can be further developed into firm unity — which cannot be broken by anything — only if the absolute trust in and admiration for the leader becomes a firm faith of all people.

Endlessly admiring and upholding their leader [suryong] and their leader [yongdoja] is the proud tradition and ethos of the Kim Il-song nation, which has won victories by single-heartedly uniting around the leader. Such character of our people has reached a noble stage due to upholding the respected and beloved Comrade Kim Chong-il at the center of unity. Also, it has become the unshakable faith of our people. This is because our people — through the glorious years of the revolution and the moment of their life today — keenly feel from the bottom of their heart that they uphold the outstanding and peerless great man as their leader [yongdoja].

Either in the character and personality that the leader [yongdoja] of the revolution should hold, or in a protracted course of leading the revolution to victory, or in an immortal achievement gained before the times and history, the great leader Comrade Kim Chong-il is the most outstanding leader of our era, as well as the brilliant commander of the century who has the prominent greatness and the highest authority that cannot be paralleled.

The respected and beloved Comrade Kim Chong-il, who has absolute authority, is boundlessly respected and trusted by our people because of his genius and wisdom as an ideologist and theorist; his outstanding leadership as an extraordinary politician; his ever-victorious strategy and matchless courage; and his noble virtue — in which he trusts in fighters as he trusts in himself and in which he deeply trusts in the people. This is fully demonstrated in the glorious years that open the great golden age for the nation's prosperity under the banner of remolding the whole society after the *chuche* idea, as well as in a stern struggle to adhere to and glorify socialism of our own style by resolutely fighting against the imperialist allied forces.

Our people — who cherished deep in their hearts the truth that the leader of the revolution is the destiny of our country and our people in the history of the nation, which has undergone many twists and turns, as well as in a practical struggle of the revolution — have come to keenly feel how greatly they were blessed with the leader, while suffering from the loss of the fatherly leader last year.

The great leader Comrade Kim Chong-il is just the fatherly leader [*suryongnim*]. Because the respected and beloved general exists, our country will be dignified today, and a fatherland that will become stronger and more prosperous will exist. This is an iron-like faith and is firmly rooted in the hearts of our people. Because the whole society is overflowing with the pledge of loyalty to uphold the respected and beloved Comrade Kim Chong-il as the father, the savor of the nation — who gave our people revolutionaries' faith and the most dignified and proud happiness of life and who leads our fatherland to a brilliant future — and to live and fight on as his fighter and son, our single-hearted unity is being vigorously and eternally consolidated.

Also, the solidness and might of our single-hearted unity lies in regarding the leader's great ideology as the eternal lifeline.

The great leader's revolutionary idea is the most important link from the leader [*yongdoja*] to the people. The people — who received from the leader [*suryong*] a great idea that elucidates the future road of the revolutionary victory, and that leads our people to the true road of the life — will come to unite, in one mind and intent around their leader [*suryong*] and their leader [*yongdoja*] by upholding and following him as their eternal teacher.

The reason for our single-hearted unity to be consolidated and, also, to display the might of its invincibility, is because the leader's great idea is regarded as the only

lifeline of our people, as well as a motto for their life and struggle.

Today, the slogan of faith "Let us more thoroughly arm ourselves with the great leader Comrade Kim Il-song's revolutionary idea" is vigorously waved before the ranks of our single-hearted unity. The revolutionary idea, *chuche* idea, is an immortal revolutionary banner that pioneered the new era of history. Also, this is a philosophy of our nation, as well as the spirit of our people that has enabled our country, our fatherland, to become strong and prosperous today based on their single-hearted unity.

The *chuche* idea, which elucidates the way for the working popular masses to pioneer the destiny of the nation, as well as their own destiny with their own might, has become the only starting point for the ideas and action of our people. Because the great idea, the idea to love the country, nation, and people — which makes 10 million people's hearts beat, and which makes 10 million ranks embark on the same course — exists, we were able to go through the most complicated and untrodden socialist road, uniting with each other. Also, the leader [*yongdoja*] and people have become one sociopolitical body that shares life and death, being linked with each other by blood. Today, the revolutionary idea of the great leader is more brilliantly glorified as a torch of an era by the respected and beloved Comrade Kim Chong-il. This becomes a firm guarantee for an eternal vitality for our single-hearted unity.

The ideological theory of the great leader Comrade Kim Chong-il is glorified by the creativeness that gives solutions to the demands of the leader's revolutionary idea, inheritance, advancing times, and the revolution. Also, this is a revolutionary banner that enables all people carrying out the revolution to achieve their aspiration and goal for the independent and true life of mankind, vigorously gripping the hearts of all people. Because the leader's ideological theory is great and because it has become the only faith of all people, a proud reality — in which 10 million people speak as intended by the party's ideology and will when they speak, and in which they walk with the same style when they walk — opened in our country.

The single-hearted unity of our people, who are firmly united in a single mind and intent around the leader, has become a powerful tool to achieve the prosperity and development of our country, our fatherland, by vigorously accelerating the grand march of the *chuche* cause.

In the New Year's congratulatory message to all people, the great leader Comrade Kim Chong-il has indicated:

"Befitting the fighter and son of the great leader, let all of us vigorously carry out, in a single mind and intent, the work to make our country, our fatherland become stronger and more prosperous."

Implanted in this program by the great leader Comrade Kim Chong-il is the noble intent to endlessly consummate the *chuche* revolutionary cause pioneered by the fatherly leader and the historic cause of the national prosperity by strengthening the might of our single-hearted unity in every way.

Making our country, our fatherland, become stronger and more prosperous was the intent of the great leader [suryong], as well as his cause. During his whole life, the great leader Comrade Kim Il-song made every effort for our people's freedom and happiness, as well as for the prosperity and development of our country, our fatherland.

The founder of our nation is Tangun, but the founder of socialist Korea is the great leader Comrade Kim Il-song.

The great leader Comrade Kim Chong-il's far-sighted plan and firm will is to eternally glorify our country as the dignified country where the Kim Il-song nation lives, as well as the most superior socialist fatherland that has achieved mankind's ideal ahead of others.

For *chuche*-style revolutionaries and people in Korea to surely achieve the fatherly leader's behest under the leadership of the great leader Comrade Kim Chong-il, the unity around the leader is more valuable than life itself.

Our single-hearted unity is a driving force that brilliantly achieved the cause for the fatherland construction with the might of the powerful *chuche* of revolution.

The fundamental method to achieve victory in the struggle for the prosperity and development of the fatherland is to strengthen the main force and enhance its role. The main principle of this method is for the leader [yongdoja] and the people to be in one heart and one will. The extraordinary commitment and revolutionary passion, with which one devotes all wisdom and passion on the road of implementing the leader's idea and intention, stems from the perfect faith in sharing the leader's will. The invincible spirit and patriotic determination to firmly safeguard and glorify our country and our fatherland despite all trials and difficulties is based on the firm will to share life, death, and destiny with the leader.

Today, our task of the fatherland construction is weighty and massive. We are still pushing forward with socialist construction amid fierce confrontation with the imperialists.

Strengthening the single-hearted unity around the leader into a hundred- and a thousand-fold unity and pushing forward the socialist construction with the might of the unity means staunchly continuing on the ever-victorious road trod by the fallen martyrs of the anti-Japanese revolution, the heroic fighters of the fatherland liberation war, and the Chollima riders of the post-war-recovery construction, who upheld the great leader Comrade Kim Il-song. Here is the road toward expediting the boundlessly prosperous future of our fatherland.

Our socialism is a precious gain provided by the sleepless and restless efforts of the great leader [suryong] and the people's leader [yongdoja], who endlessly love the people and devote everything to the people; and by the burning loyalty of our people, who have trusted and purely upheld their leader [suryong] and leader [yongdoja] as their father.

In our society, the leader [suryong] is the head and leader [yongdoja] of the revolution, as well as the father of the people and the guardian of destiny, who takes full responsibility for the people's destiny and future. Every one of the people has become kin and brother of the leader [yongdoja] as blood-tie revolutionary comrades.

Such blood-tie relations and proud reality, in which all the people uphold the great leader [yongdoja] as their father to form a grand revolutionary family, cannot be found anywhere else in the world. In the socialist, grand family unseen in human history, the beautiful trait and genuine human relations, in which people willingly devote their youth and life to society, the groups, and revolutionary comrades, are in full bloom; and the collective, living ethos of helping and leading each other while fighting on is being highly displayed.

Without our socialism, our people could not have imagined today's valuable lives and happiness, and hopeful future; or the prosperity of the country truly intended for the people and the nation.

We should firmly solidify the single-hearted unity between the leader [yongdoja] and the people in order to further strengthen the superiority and might of our socialism and excellently build our paradise with our own hands.

On the sacred road of the struggle following the party and the leader [suryong], the most important legacy handed over by our previous generation is the faith that we must unite around the leader [suryong] of the revolution and the leader [yongdoja] in order to glorify the fatherland, and excellently pioneer our destiny and the nation's future. This spirit is more important than anything else to us.

We must grasp, generation after generation, our party's ideology on the single-hearted unity, which is the ever-victorious banner and the revolutionary philosophy of our times, and uphold the great leader [yongdoja] Comrade Kim Chong-il in one heart and one will, so as to complete to the end the chuche revolutionary cause pioneered by the fatherly leader [suryong].

South Korea

Safety Check on Reactors Entrusted to IAEA

*SK1805081795 Seoul YONHAP in English
0803 GMT 18 May 95*

[FBIS Transcribed Text] Seoul, May 18 (YONHAP) — The Korea Institute of Nuclear Safety (KINS) said Thursday that it will entrust the safety review on the design of the first South Korean-made light-water nuclear reactors — Ulchin Nos. 3 and 4 — to the hands of the International Atomic Energy Agency (IAEA).

Yim Yong-kyu, president of the institute, said that KINS asked safety experts at the IAEA to confirm the safety of the reactors design in a bid to secure the public's trust domestically as well as internationally.

A 10-member IAEA experts team, led by Dr. Moris Rosen, IAEA's assistant deputy director-general and director of the nuclear safety division of the IAEA, will visit South Korea from May 29 to June 9 to perform the safety check.

IAEA experts from seven countries including the United States, Japan and Britain will be assisted by South Korean experts at KINS.

Ulchin Nos. 3 and 4 are the primary models of the pressurized water reactor to be built here by the year 2000.

Yim said that if the safety of the South Korean standard model reactors is reviewed by the IAEA experts, South Korea will secure the public's trust, which may help in the supply of South Korean light-water reactors to North Korea.

The safety review by IAEA experts will also guarantee South Korean-made light-water reactors when they are exported, Yim added.

Weekly Alleges Kim Chong-il Shot by Guard

*SK1805064795 Seoul IRYO SINMUN in Korean
21 May 95 pp 8-9*

[Article by YOMIURI SHIMBUN reporter Yi Ton-hui: "'Information' Has It That Kim Chong-il Was Shot At"]

[FBIS Translated Text] On the morning of 9 May, cabinet members arrived one after another at a conference room of Chongwadae [presidential offices] to attend a

cabinet meeting. President Kim Yong-sam, a little excited, entered the conference room a little while later.

The president had convened a cabinet meeting for the first time in four months. The last meeting had been held on 24 December 1994, a day after a large-scale cabinet reshuffle. The meeting started in a very harmonious atmosphere.

The president started his speech by saying: "I decided to convene a cabinet meeting at Chongwadae today to convey my views on the overall state of affairs."

A little while later, the cabinet members became tense when he said, "North Korea's present situation continues to be in chaos. I ask you to ensure ROK-U.S. military readiness for any contingency." The president rarely talks about North Korea's internal situation.

Believing North Korea's movements to be ominous, pertinent government agencies have begun to step up information-gathering activities. In particular, they have held frequent meetings since the 9 May Chongwadae cabinet meeting to discuss countermeasures and have been closely watching North Korea's movements. This was because there was information that something truly unimaginable had recently taken place in North Korea.

The information notes that a shocking incident took place in Pyongyang in which Kim Chong-il, the "absolute monarch," was shot by one of his own security guards and that Kim Chong-il fortunately survived the shooting, suffering a slight injury.

An intelligence source well versed in North Korean affairs said, "A relevant agency obtained information in early May that Kim Chong-il had been shot." He also said, "I know a report on this information has been presented to high-level officials." This source went on to say that "the government has been trying to confirm whether this information is true or not through various channels," adding that "I cannot reveal whether the relevant agency obtained this information independently or through U.S. intelligence agencies."

According to the intelligence source, Kim Chong-il left his office around 20 April to give on-the-spot guidance at a place near Pyongyang. He arrived at the destination 20 minutes later. He was about to shake hands with officials, when a security guard standing in the second guard line suddenly rushed forward and fired a pistol shot at Kim Chong-il. Fortunately, the bullet grazed his shoulder. [sentence as published] Kim Chong-il canceled his entire schedule. He was immediately taken to the hospital and treated by his chief physician.

The gunman was immediately arrested on the spot. However, the gunman's motive for the shooting and

personal details are not known. All that was revealed was that the gunman was a security guard of the first security guard department under the General Security Guard Bureau.

In this regard, an intelligence source revealed "the hard-liners within the North Korean Army have consistently expressed resentment ever since the Geneva agreement was announced last October," and said "such being the case, chances are high that these hard-liners pulled the strings behind this case." The source then added "however, there is the other possibility that the security guard committed this shooting incident on his own, being fed up with Kim Chong-il's idolization."

Kim Chong-il was reportedly greatly shocked by this shooting incident since it was committed by none other than a security guard of the General Security Guard Bureau which he deeply trusts. As Kim Il-song did before his death, Kim Chong-il's trust and love for the General Security Guard Bureau is exceptionally strong.

Yi Ul-sol, who is responsible for Kim Chong-il's personal safety at close range ever since he was appointed director of the General Security Guard Bureau, is one of Kim Chong-il's closest confidants. For this reason, Yi Ul-sol has selected soldiers with a good family background and party spirit and who have staunch loyalty toward Kim Il-song and Kim Chong-il, and has turned 33,000 soldiers of the General Security Guard Bureau into crack troops. In particular, the first security guard department to which the gunman belonged, is a security team that specializes in guarding Kim Chong-il and consists of approximately 1,000 well-trained, expert agents who are devotedly loyal.

After the shooting incident took place, Kim Chong-il ordered that this incident be kept strictly confidential, fearing that this incident would become known at home and abroad.

On 25 April, right after this incident broke out, Kim Chong-il visited the No. 1017 army unit and encouraged the soldiers. He appeared in public for the first time in some 40 days, since he attended "the meeting of company commanders and political instructors" on 15 March.

He appeared that day, presumably to prove that he was still strong in order to cover up the incident. Many high-ranking cadres of the army accompanied Kim Chong-il during his visit to the army unit and security was unusually tight.

Recently, North Korea has been continually emphasizing loyalty toward Kim Chong-il. On 25 April, North Korea held a large-scale commemorative event marking the 63d anniversary of the founding of the army and

was bent on emphasizing the army's "loyalty" toward Kim Chong-il. In the ceremony held at the 8 February House of Culture, Choe Kwang, chief of general staff of the army who is a strong candidate for the position of minister of the People's Armed Forces, urged the soldiers "to become guns and cannons resolutely safeguarding Kim Chong-il under whatever circumstances and to cherish in their hearts a firm conviction toward socialism and absolute loyalty toward the party and the leader." In other words, he emphasized the military's "absolute obedience" and "loyalty" toward Kim Chong-il.

It has been learned that, with the 63d anniversary of the founding of the Army approaching, North Korea had originally intended to completely turn the social atmosphere from one of expressing condolences over Kim Il-song's death into that of upholding Kim Chong-il. To this end, it has also been learned that, early last month before the incident took place, North Korea distributed Kim Chong-il badges to high-ranking cadres at thenbureau-directors level and above in Pyongyang and ordered them to wear them as soon as the functions marking Kim Il-song's birthday ended. It appeared as though North Korea made this decision so that foreign countries could confirm that Kim Chong-il had succeeded to power, while keeping in mind the fact that many foreigners would visit Pyongyang during the Pyongyang festival at the end of April.

This notwithstanding, it has been confirmed that North Korea collected all of the Kim Chong-il badges again right after the shooting incident took place. It has not been confirmed, however, if there was any connection between the distribution of the Kim Chong-il badges and the timing of his official succession to power. But, some people believe that this incident will exert grave influence on the power succession.

In October 1994, after the nuclear issue was settled in negotiations with the United States, North Korea made preparations for the "Pyongyang International Sports and Cultural Festival for Peace" to create an appropriate atmosphere prior to the power succession. This festival was a function to which North Korea had devoted a great amount of energy and efforts on the orders of Kim Chong-il. Accordingly, foreign journalists and tourists, who visited Pyongyang to watch this festival, had expected, as a matter of course, that Kim Chong-il would attend the festival. Even a foreigner went so far as to say that he was visiting North Korea to see Kim Chong-il, rather than to watch the festival.

Nevertheless, Kim Chong-il did not attend either the opening or closing ceremonies. The foreigners had to be satisfied with the opportunity to see the North Korean

residents who jam-packed the 1 May Stadium. It seems that Kim Chong-il did not attend the opening and closing ceremonies because of the shooting incident. He may have visited military units without feeling any anxiety; but it seems that he may have felt uneasy enough not to attend the festival because the security needed to guard Kim was deemed to be very difficult at a stadium, where a crowd of 150,000 gathered, and because the latest terrible "nightmare" might take place again in such a place.

Journalists, who have been to North Korea to cover the Pyongyang festival, expressed their dissatisfaction that they could not engage in gathering news materials to their heart's content because of the tight control they were faced with during their stay there. Some people said they were displeased because they were watched more than ever before.

On 11 May, North Korea sent a letter signed by Kang Sok-chu to nuclear ambassador Gallucci of the United States, rejecting the U.S. proposal for the Kang-Gallucci high-level talks. Instead, North Korea proposed anew "semi-high-level" talks between Kim Kye-kwan and Hubbard. Neither the U.S. Government nor the ROK Government had expected this. In this connection, the sources concerned are casting a strong suspicion as to the recent developments in the internal situation of North Korea, saying: "In recent days, North Korea has been frequently doing things that we can never understand. This makes us question whether something strange has happened inside North Korea."

The sources, in particular, said: "North Korea's provocations along the cease-fire line, which had been perpetrated only on eight occasions over the past three years, but, such provocations were committed on as many as more than 60 occasions in April. We presume that such provocations were perpetrated as a tactic to establish a system of a peace agreement, but we also believe that because North Korea has some internal problem, North Korea intends to divert the attention of its own public opinion."

Decision To Allow Investment in DPRK Viewed

*SK1805043995 Seoul YONHAP in English
0241 GMT 18 May 95*

["YONHAP News Analysis" by Kim Tae-yong: "Investment in North Korea May Help Improve inter-Korean relations"]

[FBIS Transcribed Text] Seoul, May 18 (YONHAP) — The government paved the way for South Korean capital and technology to enter the North Korean market for the first time in history, by approving the first direct investment in the North Wednesday.

It has been seven years since the first case of inter-Korean trade in 1988 when government began allowing economic exchanges between South and North Korea.

So far, there have been a number of discussions between South Korean businessmen and North Korean officials on the details of the South Korean investment in the North. But the potentially volatile situation caused by the North Korean nuclear issue may have disturbed the realization of investment.

Therefore, it is a little surprising that the government announced its approval for the investment projects despite the fact that the nuclear situation has improved little.

According to North Korean experts here, the government decision to allow the investment seems to have been pressed by the need to find a breakthrough for improving inter-Korean relations, which have continued to deteriorate due to North Korea's refusal to accept South Korean-style lightwater reactor models.

Of course, the projects the government approved are not very big.

The Daewoo business group was allowed to invest 5,120,000 U.S. dollars in three businesses — producing shirts, bags and jackets — in an industrial complex located in the North Korean port city of Nampo.

Kohap, Ltd. has been designated a cooperation business — in other words, "a business which can pursue economic cooperation with North Korea." Kohap still has to obtain government approval for its projects to invest more than 6 million U.S. dollars in the communist country.

However, Wednesday's measures are considered meaningful as they are a test case for full-fledged economic cooperation with North Korea in the future.

Officials at the National Unification Board (NUB) say that North Korea's reaction will be a determinant factor in deciding the fate of South Korea's inter-Korean investment policy.

If the pilot projects are successfully completed for the sake of improvement of the overall inter-Korean relations, then South Korea will continue to expand its investment in North Korea. But if it is not very helpful to the relations, then the government may stop allowing the investment.

Now, what is worthy of watching is whether or not North Korea will allow South Korean technicians to enter its territory.

North Korea has been rejecting South Korean-style lightwater reactors, worrying that a number of South

Koreans may enter the North, affect North Korean people and even threaten the North Korean system.

But the businesses need to send its employees to oversee and operate in their businesses' interests.

Daewoo says that it is going to invest more than 5 million U.S. dollars in North Korea and that it plans to send a group of technicians to the project site in Nampo City.

But if North Korea accepts facilities only and does not allow technicians to enter, NUB officials say, then it will be doubtful the investments will bear fruit.

Exchanges 'Very Significant'

SK1805073595 Seoul TONG-A ILBO in Korean
18 May 95 p 2

[By reporter Han Ki-hung]

[FBIS Translated Text] The government has approved the Daewoo Group's project in cooperation with North Korea and has accepted the Kohap Company's application for being designated a cooperation company, which can pursue economic projects with North Korea. This is regarded as a bold measure to break the deadlock of South-North economic cooperations which have been inactive due to the North Korean nuclear issue.

This is also the first tangible output of the government's intention to separate the South-North economic cooperation from the North Korean nuclear issue since the government declared the policy to activate South-North economic cooperation in November 1994.

Although the amount of Daewoo's investment in North Korea approved by the government is not large (\$5.12 million), it is significant because it will be the first direct investment in North Korea by an ROK company in the history of South-North exchanges.

During Daewoo Group President Kim U-chung's visit to North Korea in January 1992, Daewoo and North Korea agreed to build a light industrial complex in Nampo by investing approximately \$10 million. In October 1994, the government accepted Daewoo's application for being designated as a cooperation company. However, Daewoo could not proceed with the project because South-North relations were frozen due to the nuclear issue.

With the government's recent measure, Daewoo is now able to permanently station its staff for the project in Nampo, if it gets permission from the North.

It is very significant that under the situation, in which South-North relations have been clouded by the nuclear issue, personnel and material exchanges are going to

be realized between South and North Korea, with our enterprises' investment in North Korea.

Of course, as Na Ung-pae, deputy prime minister and minister of the National Unification Board, described the recent government measure as a "small start," it is unlikely that we can immediately have a visible result of the South-North economic exchanges.

Moreover, as Daewoo's investment in North Korea is an enterprise-level economic exchange, still far from full-pledged economic cooperation systemically supported by the South and North Korean authorities, Daewoo will have to bear the risk to a certain extent.

However, though it is limited to an investment in facilities based on the existing processing-on-commission ground, the government's approval of the cooperation project planned by Daewoo, which has reportedly already built some plants in the Nampo industrial complex, will certainly exert positive influence upon South-North economic cooperation.

Spurred by the government's recent measure, 10 business groups—including the LG Group, which sent a delegation to Pyongyang and discussed economic cooperation with North Korea with an approval from the government after the announcement of the government's policy on activating South-North economic cooperation—are expected to accelerate their own exchanges with North Korea.

In order for this measure to develop into full-pledged South-North economic cooperation, the pending North Korean nuclear issue must be resolved and South-North dialogue must be resumed first.

Deputy Prime Minister Na stressed that "dialogue between the South and North Korean authorities is necessary for South-North economic cooperation" and hoped that "North Korea will take a corresponding measure so that the government's recent measure will practically contribute to improving relations and increasing mutual trust between South and North Korea."

Gallucci Interviewed on U.S.-DPRK Talks

SK1805043495 Seoul CHOSON ILBO in Korean
18 May 95 p 3

["Exclusive interview" with Robert Gallucci, U.S. assistant secretary of state for political and military affairs and chief negotiator to U.S.-DPRK nuclear talks by CHOSON ILBO's Washington-based correspondent Kim Chang-kyun at the ambassador's office on the sixth

floor of the building the U.S. Department of State on 16 May]

[FBIS Translated Text] [Kim Chang-kyun] How would you evaluate the result of the recent high-level consultations in the ROK between the ROK, the United States, and Japan?

[Robert Gallucci] Consultations between the three countries are aimed at reaffirming the cooperative system between the three nations and at mapping out strategies for U.S.-North talks before such talks are held. Our latest round of consultations, in which we sufficiently exchanged opinions, were also held for that purpose. While these consultations were held on the premise that North Korean Vice Foreign Minister Kang Sok-chu and I would meet in Geneva, at North Korea's suggestion, the delegates were abruptly changed to Thomas Hubbard, deputy assistant secretary of state for East Asian and Pacific Affairs, and Kim Kye-kwan, vice foreign minister of North Korea. I heard of this proposal at 0430 [1930 GMT], the day I left the ROK for Japan.

[Kim] North Korea proposed that the location of the upcoming talks be Pyongyang or Beijing, but Malaysia's Kuala Lumpur has been chosen instead. Was there any particular reason for the selection of Kuala Lumpur?

[Gallucci] The ROK, the United States, and Japan shared the view that it would be difficult to accept Pyongyang as the venue of the talks for political and technical reasons. The United States and the North needed a place in Asia that was well equipped with the necessary facilities to suit the needs of the two sides. As a result, Kuala Lumpur was chosen.

[Kim] What do you think was behind North Korea's changing of the structure of the talks from high level to semi-high level?

[Gallucci] To be frank with you, I do not know. I received a letter from Kang informing me that "he cannot leave Pyongyang at this point in time," but the letter did not specify any reasons.

[Kim] Will the upcoming talks deal only with the question of light-water reactors, or with a broad-range of political and military matters ranging from the implementation of the framework agreement to the issue of reaching a peace agreement and holding military talks with North Korea?

[Gallucci] The U.S.-North talks are designed to discuss the implementation of the U.S.-North framework agreement which was concluded in October 1994. At the present moment, the main topic will be the question of the supply of light-water reactors with regard to the implementation of the agreement.

[Kim] If North Korea raises an agenda item, such as the conclusion of a peace agreement, how will you respond to it?

[Gallucci] We can easily expect North Korea to raise the question of peace on the Korean peninsula. This notwithstanding, we will concentrate on talking about the question of the supply of light-water reactors.

[Kim] We can assume that there are three possible outcomes for the upcoming talks: First, the happy ending option in which North Korea accepts the ROK-style light-water reactors; second, the worst case scenario in which North Korea rejects the ROK-style light-water reactors and lifts the freeze on its nuclear facilities; and third, the compromise option under which North Korea rejects the ROK-style light-water reactors, but maintains the freeze on its nuclear facilities. If you were to place a bet, which would you choose?

[Gallucci] It is a difficult question for me to answer. From the North Korean attitude at the talks on the light-water reactors held in Berlin some time ago, it would appear that North Korea was going to implement the contents of the agreement reached at last year's talks in Geneva. The matters which remain unsolved with regard to the question of the light-water reactors, are matters of form, rather than practicality. I believe that if one works out a more acceptable suggestion, a settlement will be possible. Because North Korea is strongly opposed to the ROK-style light-water reactors, a second option, as you assumed, may also be possible. As long as North Korea maintains the freeze on its nuclear facilities, however, we can continue to harbor hope. Of course, we cannot rule out the third option in which North Korea recommences its nuclear facilities in complete disregard for the structure of the framework agreement. Then, the international community will resolutely cope with this development. But, in pondering over the kinds of national interests North Korea will gain by choosing this last option, we feel that the likelihood of this last option is somewhat remote.

[Kim] If North Korea continues to reject the ROK-style light-water reactors while maintaining a freeze on its nuclear facilities, what will become of the other matters specified in the framework agreement?

[Gallucci] The position of the ROK, the United States, and Japan is that, as long as North Korea maintains the freeze on its nuclear facilities, the implementation of the other matters specified in the framework agreement will continue on a separate basis. The supply of light-water reactors is specified in the agreement and is a matter from which North Korea will benefit. Inflicting any disadvantage on North Korea just because it does not accept such benefits quickly, does not stand to reason.

Accordingly, if the freeze on North Korea's nuclear facilities is maintained, the implementation of the other matters will continue. Support will be given to North Korea to dispose of the spent fuel rods; supply of heavy oil will continue; and economic exchanges will also be encouraged. If consular and technical matters are solved, both sides will also establish liaison offices.

IAEA Inspections 'Frustrated' by Talks Delay

*SK1805024195 Seoul KBS-1 Radio Network
in Korean 0210 GMT 18 May 95*

[By correspondent Cha Man-sun from Vienna]

[FBIS Translated Text] Member nations of the International Atomic Energy Agency [IAEA] are increasing pressure on North Korea regarding IAEA inspections of North Korea which have been frustrated by the delay in U.S.-North Korea talks on the supply of light-water reactors.

In late April, the IAEA proposed holding discussions on the technical problems related to measuring the plutonium content from the 8,000 spent fuel rods. Responding to this, North Korea stated that it could not accept holding negotiations with the IAEA because the U.S.-North Korea negotiations on the supply of light-water reactors have not yet ended.

An IAEA high-level official pointed out: So far, the North Korean nuclear program remains frozen. However, measuring the plutonium content of the spent fuel rods, which will soon be transferred for permanent preservation, is a pressing issue between the IAEA and North Korea.

Progress Reported in U.S.-North Liaison Talks

*SK1805115595 Seoul YONHAP in English
1152 GMT 18 May 95*

[FBIS Transcribed Text] Seoul, May 18 (YONHAP) — The United States and North Korea have reached an accord on substantial part of preparation for the projected exchange of liaison offices between them, a Seoul government official said Thursday.

"The two sides have already resolved the issue of consular protection and agreed to set the number of the staff of a liaison office at five to 10," the official said.

Besides, he said, the two countries have been carrying on, with a substantial progress, talks on the issue of travels through Panmunjom by U.S. diplomats assigned to U.S. liaison office in Pyongyang and of the delivery of pouches also via Panmunjom.

However, it is taking a considerable length of time for the two sides to choose the buildings they would use as

liaison offices. "Therefore, it is unlikely to open liaison offices before August this year," he said.

The official also denied as "not true" the press reports that the United States plans to open liaison offices once technical problems are resolved without regard to the light-water reactor issue.

"The Governments of South Korea and the United States share the understanding that the liaison office issue would be linked to the reactor issue and the progress of South-North dialogue under the principle of harmony and parallel," he added.

Reaction to U.S. Request for Auto Talks Cited

*SK1805055895 Seoul MAEIL KYONGJE SINMUN
in Korean 18 May 95 p 1,5*

[By Chang Kyong-tok]

[FBIS Translated Text] Amid the recent heated dispute between the United States and Japan over their automobile trade, the U.S. Trade Representative has asked our country to take institutional measures to expand imports of foreign automobiles and to hold negotiations on this issue next month.

In addition, U.S. Secretary of Commerce Ronald Brown is to visit our country in mid-July to discuss pending trade issues between the two countries, including the expansion of automobile imports from the United States. Thus, it is highly likely the U.S. trade pressure on our domestic automobile market will soon be in full swing.

According to the ministries concerned within the ROK Government, including the Ministry of Foreign Affairs and the Ministry of Trade and Industry, at the ROK-U.S. working-level trade committee meeting held last month and through other trade and industry channels, the U.S. Trade Representative has asked our country to hold talks in June to discuss the issue of removing our trade barriers against foreign automobile imports.

The United States went so far as to ask our country to revise our special tax system that is applied to large automobiles, insisting our country's current special tax system, which levies heavy taxes on large cars with an engine displacement of 2,000 cc [cubic centimeters] and above, makes it difficult to import cars from the United States where mostly large cars are manufactured.

Under our country's current special tax system, for a car with an engine displacement of below 2,000 cc, the tax rate is 10 to 15 percent of the selling price; for a large car with an engine displacement of 2,000 cc and above, the tax rate is 25 percent of the selling price.

In addition, the United States has also asked our country not only to drastically simplify the current automobile

safety inspection procedures, but also to reduce the current tariff rate.

During his visit to the ROK in July, Secretary of Commerce Brown will meet Minister of Trade and Industry Pak Chae-yun to discuss pending trade issues between the two countries. Accordingly, it is highly likely that Secretary of Commerce Brown will strongly urge our country to increase car imports from the United States.

In connection with the U.S. request for automobile negotiations, government authorities stated that "under the present situation, in which the ROK-U.S. bilateral negotiations are to be held early next month on inspection procedures for agricultural products imported within the World Trade Organization, it is very difficult for our government to accept the U.S. request for automobile negotiations," thus revealing our government's desire to put off the date of automobile negotiations with the United States for as long as possible.

It has been learned the government is considering removing some clauses related to automobile performance in the regulations regarding imported automobile inspections.

On the other hand, on 16 May THE JOURNAL OF COMMERCE reported it is anticipated the United States will impose strong pressure on the ROK, as it did on Japan, to urge Seoul to open its automobile markets. In its Seoul-dispatched article entitled "The ROK Is Trembling With the U.S. Request for Opening Its Automobile Market," this newspaper quoted some experts, stating: "There is a high possibility the ROK will be the next target in the world automobile war, following Japan."

The newspaper predicted that, unlike Japan which suffered U.S. retaliation only on its deluxe cars, the ROK will probably suffer restrictions on all types of automobiles exported to the United States because it exports mostly small cars.

Differences With U.S. on Financial Opening Noted
SK1805005295 Seoul THE KOREA TIMES in English
18 May 95 p 9

[By staff reporter Yi Chang-sop]

[FBIS Transcribed Text] Korea and the United States yesterday clashed over the opening of Seoul's 130-billion-dollar bond market in the multilateral financial market-opening talks now under way in Geneva at the World Trade Organization.

Diplomats and government officials said that Washington asked Seoul to open wider the 130 billion dollar

Korean bond market to ensure the successful conclusion of the multilateral financial market-opening negotiations scheduled to be concluded by June.

Korean government officials are adamant they will not accept the U.S. call to make the attractive Korean bonds available to foreigners due to the wide interest rate gap between domestic and foreign markets.

With a gap as wide as 7 percentage points, the opening of the bond market is an immediate guaranteed wind-fall for foreign investors. To mitigate the U.S. pressure, the government committed itself to allowing foreigners to establish funds outside Korea to make direct investments in Korean bonds this year.

It also permitted foreigners to make indirect investments in Korean bonds by investing in funds established by three Seoul-based investment trust companies. Last year, the government enabled non-Koreans to invest directly in convertible bonds issued by listed small and medium-sized companies and in state and public bonds, whose returns are similar to international rates.

The government said it will permit foreigners to invest in long-term non-guaranteed bonds issued by small and medium-scaled enterprises in 1997. But foreign brokers here said that the Korean government has opened less than 2 percent of the domestic bond market scaled at more than 10 trillion won.

Foreign investors are interested in buying short-term guaranteed bonds, monetary stabilization bonds and bonds issued by bluechip conglomerates. But Korean government officials say they will not be able to open the bond market until the wide interest rate gaps are narrowed significantly.

Even after the five-year financial market-opening and foreign exchange reform plans are completed in 1999, the bulk of the domestic bond market will continue to be off-limits to foreigners, they indicated.

In the WTO financial market-opening talks, U.S. officials were also said to have asked Korea to "implement a policy to ensure a full convertibility of the Korean won currency," meaning that free capital inflow and outflow be guaranteed. But this offer was also rejected by the Korean government because of the wide interest rate gap.

Seoul has already submitted a revised offer to open the domestic financial market but the United States is insisting on additional market-opening by Korea.

Kazakhstani Minister on Kim, Nazarbayev Summit
SK1805004995 Seoul THE KOREA TIMES in English
 18 May 95 p 2

[By staff reporter Son Ki-yong]

[FBIS Transcribed Text] Visiting Kazakh Foreign Minister Qasymzhomart Kemeluly Toqayev said that his government will positively consider repatriating to South Korea the remains of Korean independence fighter Hong Pom-to who is laid in the Kazakh city of Kzyl Orda.

"This issue was touched during the negotiations between President Kim Yong-sam and President Nazarbayev. Generally speaking, we are very positive to the request. We would like to follow on this question in order to promote unification of both Koreas," Toqayev, 41, told an exclusive interview with THE KOREA TIMES. He came here Monday [15 May] accompanying President Nursultan Nazarbayev.

Both South and North Korea have sought to bring back Hong's remains. North Korea claimed its right over Hong's remains because he was born in a town, now in North Korea.

However, the foreign minister said that an early visit to Almaty by the South Korean president or foreign minister would be crucial to the settlement of the controversy. "The issue would be settled if the next high-level meeting is held in Kazakhstan," he said.

"My president invited President Kim Yong-sam to visit Kazakhstan. During my negotiations with the Korean foreign minister, I also invited my colleague to pay an official visit. I will try my best to settle this very sensitive issue in favor of the Republic of Korea," he said.

The foreign minister noted that economic cooperation between Korea and Kazakhstan has developed successfully, boosted by the ever-increasing presence of such Korean companies as LG, Samsung and Daewoo in Kazakhstan.

"We look forward to more cooperation with such huge Korean companies which contributed so much to the development of Kazakhstan's economy. We believe the prospects for economic cooperation are very bright," he said.

"We are negotiating with these companies at every opportunity to ensure their deep involvement in Kazakhstan. Hanwha is involved in many projects. We are also very much grateful to Daewoo which is helping us in establishing our embassy here. I nominated president of Daewoo Motors Kim Tae-ku as honorary consul of Kazakhstan in Korea," he said.

The foreign minister stressed the compatibility of both countries which would lead to close cooperation in the future.

"The economy of Kazakhstan depends on the production of raw materials which Korea needs to import. We would like to use Korean high technologies," he said.

Kazakhstan, called the "second Kuwait" for its enormous reserves of oil and gas, is currently launching several projects to secure means to transport oil.

"We now have a program. One of the pipelines will go from the Tenghiz oil field to Russia, the port of Novorossiysk. At the same time, we are elaborating some other projects. As soon as we build such pipelines, we will be given an access to the markets of the Middle East and some other countries," he said.

The foreign minister promised to do his best to successfully implement the just-signed agreement on cultural cooperation.

"As you know, in my country, there are more than 100,000 ethnic Koreans. We think ethnic Koreans living in Kazakhstan are contributing very much to the development of Kazakhstan. They also contributed to the establishment of the independent state of Kazakhstan," he said.

Meanwhile, the foreign minister viewed that a "solid base" for economic cooperation was laid with this presidential visit.

"We signed the agreement on scientific cooperation. Another agreements on avoidance of double taxation as well as the encouragement of investment were also initialed during this visit," he said.

'Blacklist' of Foreign Debtor Companies Issued

SK1405034895 Seoul THE KOREA TIMES in English
 14 May 95 p 1

[By staff reporter Kim Sung-pok]

[FBIS Transcribed Text] The Korea Commercial Arbitration Board (KCAB) has announced what it calls a "blacklist" of 28 foreign companies which have not paid on time for shipments of Korean goods. The overdue bills amounted to a total of 4.5 million dollars last year, according to a report released by the KCAB.

The foreign traders refused to pay for the goods they purchased from Korean exporters even though they have already sold them.

The KCAB said that it received a total of 115 claims against foreign importers worth a total 26,273,000 dollars.

In 44 cases, Korean sellers received partial payment only after threatening to take legal action. The total amount of money involved in the 44 cases was 8,254,000 dollars, said the KCAB which is a private but authoritative trade troubleshooter.

The arbitration agency yesterday made public a list of 28 foreign buyers who "have not paid one penny for imported goods and who refuse to settle their bills without giving an acceptable reason" even after they sold the products, the KCAB said.

The so-called "blacklist" did not include firms which had paid part of their bills, those involved in pending arbitration and those who had promised to pay but failed to because of their financial problems.

It also did not include any international companies with the big name recognition. However, among the Korean "victims" were some renowned firms, including Semo Co. and the Pusan Bank's Seoul branch.

The firm that is owed the largest amount is Yoo Chang Korea Inc., a button maker. It is owed a total of 2,127,908 dollars by Yoo Chang Hong Kong Co. and Yoo Chang America Inc.

Regarding settlements, 15 cases involved L/C transaction, nine D/AS (documents against acceptance) and D/Ps (documents against payment) which were not guaranteed by banking institutions.

By region, 11 cases involved firms from the United States and Canada, nine from Europe, six from Asia and two from Africa, the arbitration office said.

Of the 28 foreign importers, 20 did not respond to the KCAB's efforts to arbitrate over a period of three months, while the remaining eight attempted to avoid settling the disputes by replying irrelevantly.

KCAB advises that Korean exporters have to conduct out-and-out investigations of the trustworthiness of their trading partners and prepare for possible disputes with clear arbitration clauses in their contract documents.

It disclosed that all the firms involved had failed to include arbitration agreements in their contracts.

No	Company Name	Item	Claimed (U.S. Dollars)
1	Cowitel Electronics Lt. (Chin)	Chip	78,619
2	Evatec Consultant Ltd. (Canada)	Tobacco filter maker	118,750

No	Company Name	Item	Claimed (U.S. Dollars)
3	CCS Industry (US)	Ladies' T-shirts	37,884
4	Jiangxi Cotton Weaving & Spinning and Printing & Dyeing Mill (China)	Printing machine	122,400
5	Stephen & James Associates Inc. (US)	Footwear	511,287
6	Union Sales Corp. (Benin)	Glass frame	2,500
7	Herramientas Castillo, S.A. (Spain)	Endmill	26,754
8	Servi S.L.	Nylon tulle embroidery	60,327
9	Passion International (France)	Angora sweater	36,702
10	Kroub Co. (Iran)	Magnet	8,400
11	Pelz Fashion	Ladies' parka with fur	45,360
12	Herstellung Import & Vertrieb von Technische Spielwaren J.U.A. Dingler GmbH (Germany)	[no item listed]	436,047
13	What's New (Canada)	CCB bead	5,134
14	SA Marcall (France)	Cigarette Lighters	8,610
15	Cosmo Enterprise of USA Inc. (US)	Jewelry	11,000
16	Point Zero Girls Club Co. (Canada)	Sweater	9,400
17	Yoo Chang Co. Ltd. (Hong Kong)	Button	1,208,058

No	Company Name	Item	Claimed (U.S. Dollars)
18	Yoo Chang America Inc. (US)	Button	919,850
19	Exom Consulting GmbH (Germany)	SVR	65,175
20	Omega Optical Inc. (us)	Glass frame	9,755
21	Sharon Collection GmbH (Germany)	Hair ornaments	79,615
22	ABC Garment Ltd. (Bangladesh)	100 pct polyester	25,699
23	P.T. Hwakang Indawa (Indonesia)	Leather garment	239,989
24	Listeff Fashions International (US)	Leather garment	92,660
25	M.L.M. Agencies (Ghana)	Cosmetic	2,826
26	The Lynk Corp. (US)	220 logic boards	53,083
27	Bengal Import-Export (Britain)	Footwear	101,250
28	Canada Inc. (Canada)	Ski wear	135,864

Source (Korea Commercial Arbitration Board)

Rally in Kwangju Marks 'Incident' Anniversary

SK1805114595 Seoul YONHAP in English
1103 GMT 18 May 95

[FBIS Transcribed Text] Kwangju, May 18 (YONHAP) — A citizens rally was held at the square in front of the South Cholla Province office here Thursday afternoon to mark the 15th anniversary of the Kwangju incident.

At the rally attended by about 20,000 students and citizens, citizens leaders demanded the revelation of the "truth" of the incident as well as punishment of those responsible for firing at citizens during the incident.

"Light should be shed on the cause of the incident and those responsible for opening fire at citizens should be brought to justice without fail," Catholic Father Pius Cho, rally president, said in a speech.

Kim Sang-kun, chairman of the citizens committee for delving into the truth of the May 18 incident and for inheriting the spirit of the Kwangju uprising, said the truth of the incident should be uncovered and "law violators" should be prosecuted under all circumstances.

"If the Kim Yong-sam administration has no gut to do that, it should step down from the scene of history by itself," Kim said.

The rally committee presented plaques of appreciation to American Rev. Arnold Peterson and Prof. Chong Tong-sop of Taejon Baptist seminary for their testimonies on firing by military helicopters at citizens during the Kwangju incident.

In a speech at the rally, Rev. Peterson said he would never forget the Kwangju citizens who he said lost many of their family members during the Kwangju uprising of 1980.

"It is beyond any doubt that military helicopters opened fire to kill or wound citizens," he said.

Similar rallies were held at nearby cities of Chonju, Mokpo, Suncheon and Yosu.

Students, Police Clash

SK1805114695 Seoul YONHAP in English
1124 GMT 18 May 95

[FBIS Transcribed Text] Seoul, May 18 (YONHAP) — About 3,000 students demonstrated in the heart of Seoul Thursday, 15th anniversary of the Kwangju incident, demanding the punishment of those responsible for the bloody incident.

The students, mostly belonging to the Hanchongnyon [Korean Federation of General Student Councils] or Federation of University Student Councils, began to assemble near the Sinsegye department stores around 5 PM [0800 GMT] and tried to move toward the Ulji-ro direction.

Clashes with the riot police soon flared up as the police, spraying tear gas, tried to disperse the students.

Tens of students were apprehended in the process. At one point, police surrounded about 20 isolated students near the Lotte department stores around 6 PM and beat them at random before their arrest, incurring protest from nearby bystanders.

Initially students planned to observe a Kwangju anniversary rally at the Marronnier Park near Tongsung-tong at

2 PM but, as the police sealed the area to keep students from approaching, they hit the streets instead, staging sporadic demonstrations along major Seoul streets.

At Hanyang University, meanwhile, 300 students observed a campus rally to mark the Kwangju incident anniversary and went on a sit-in at a nearby intersection before they were forcibly dispersed by police.

The police deployed some 7,000 riot police to deal with the demonstrations.

Ruling Party Leader Urges Fair Local Elections

SK1805054595 Seoul YONHAP in English
0249 GMT 18 May 95

[FBIS Transcribed Text] Seoul, May 18 (YONHAP) — Majority party leader Yi Chun-ku called on political parties and civic organizations to form a body ensuring fair local elections next month which will lay the foundation of "an honest election culture" with the new election law firmly taking hold.

In a press conference he called Thursday, the 100th day of his tenure as chairman of the ruling Democratic Liberal Party, Yi said both the government and opposition parties should devote themselves to fully developing the local self-government system through the coming local elections, noting the elections would be the first of their kind in more than 30 years.

In the elections, the contending parties should conduct themselves honestly and in a manner that is truly in the interest of the local populace, discarding "unnecessary political debates," he stressed.

All the citizens should become election watchers and serve as volunteers to ensure fair and honest elections, he added.

Noting that outdated politicians serving sectarian and provincial interests are emerging again, Yi warned that the local governments that win in the coming elections should not be an extension of the central government, nor should they fall victim to a provincial hegemony.

To develop grass-roots democracy, the nation-ruining effects of provincialism and sectarianism should be driven from the coming elections. Instead, the elections should be an opportunity to develop a new political culture based on the national consensus, he stressed.

The ruling party will await the judgement of the voters in the up-coming elections, with candidates riding the trends of globalization and with policies befitting the era of local autonomy, he said.

Before the press conference, Yi opened the ruling party's local elections campaign office.

Prosecution 'Poised To Arrest' Union Members

SK1805081495 Seoul YONHAP in English
0759 GMT 18 May 95

[FBIS Transcribed Text] Seoul, May 18 (YONHAP) — The prosecution is poised to arrest more than 30 workers involved in labor strifes both at Hyundai Motor Co. and Korea Telecom.

An official of the prosecutor general's office said Thursday that as soon as advance warrants mandating the arrests of over 30 hard-line unionists involved in the two cases are issued, the police would act to detain them.

The prosecution applied earlier for the warrants mandating the arrests of 13 workers suspected of having incited an allegedly illegal walkout at the nation's largest automobile plant in Ulsan on charges of obstructing performance of duties. Included among them are Yi Sang-pom, Yi Hon-ku and Yun Song-kun, all former chairmen of the automaker's trade union.

In addition, the prosecution has decided to apply for arrest warrants to apprehend 15 to 20 of the 64 unionists against whom the information and communication ministry and Korea Telecom have filed complaints for their alleged involvement in moves to organize strikes.

New Education Minister Comments on Appointment

SK1705065795 Seoul SEOUL SINMUN in Korean
16 May 95 p 3

[Interview with newly appointed ROK Education Minister Pak Yong-sik by reporter Yi Sun-nyo at Yonsei University in Seoul on the afternoon of 15 May]

[FBIS Translated Text] [Yi] What do you think led to your appointment?

[Pak] I have been in education for 30 years and have administrative experience from having served as a university president and vice president. I think these factors were taken into consideration. Another factor may be the fact that I had access to the reality and problems in university education during my two-year tenure as chairman of the University Education Council from 1990.

[Yi] What are pending issues for the Education Ministry?

[Pak] The Education Reform Committee spent a year coming up with an education reform plan. The task is to smoothly adapt this reform plan to society.

[Yi] What are key elements of the education reform plan?

[Pak] The autonomy of universities. The government has to daringly lift regulations of autonomy. Universities should be able to exercise their autonomy on their own.

[Yi] What will you emphasize?

[Pak] An environment for humane education should be provided. In the current education system, the overemphasis on one's academic background has turned middle and high schools into institutions for college entrance examination, and colleges into academic credit-providing institutions for job tests.

[Yi] What are the problems of universities?

[Pak] Universities have been excessively focused on quantitative expansion. Increasing the number of students is not the solution, and will sooner or later become a burden.

[Yi] What do you think of admission through contributions?

[Pak] It will not be considered for the moment because of people's sentiments. There is no country in this world that has officially allowed admission by contribution. In other countries, admissions are up to university autonomy.

[Yi] What is your opinion on generalizing the standard of high schools?

[Pak] Public schools will maintain generalization and competent private schools will lift generalization so that qualified students will receive proper education.

Ministry Report Describes Available Farmland

SK1805031495 Seoul YONHAP in English
0201 GMT 18 May 95

[FBIS Transcribed Text] Seoul, May 18 (YONHAP) — South Korea ranks a lowly 63rd in the world in terms of farmland and 28th in terms of farming population, according to a report compiled by the Ministry of Agriculture, Forestry and Fisheries Thursday.

As of 1993, South Korea's farmland totaled 2,050,000 hectares and its farming population 5,407,000, ranking 63rd and 28th, respectively, in the world, said the report, compiled on the basis of statistical figures of the Food and Agriculture Organization (FAO).

The country's agricultural land is only 1.1 percent that of the United States which has the largest designated farming land in the world with 185,740,000 hectares.

China has the largest farming population in the world with 785 million people.

South Korea's total agricultural, forestry and fisheries output amounted to 26.8 billion U.S. dollars, 30 percent that of the United States' 89.2 billion dollars and 34.5 percent of Japan's 77.5 billion dollars.

The country's total trade in the agricultural, forestry and fisheries industries ranked 18th in the world with 12.87 billion U.S. dollars. The United States recorded the biggest amount of trade in these sectors with 115.26 billion U.S. dollars, followed by Germany with 76.74 billion dollars, France with 67.77 billion dollars and Japan with 62.95 billion dollars.

Agricultural, forestry and fisheries imports in 1993 totalled at 9,798 million U.S. dollars, the world's 13th largest, showing that the country has emerged as one of the world's major importers in agricultural sector.

Japan was the largest importer of agricultural, forestry and fisheries products with 59,032 million U.S. dollars or six times that of South Korea's.

The United States and Germany were the second and third largest importers with 51.54 billion U.S. dollars and 48.20 billion U.S. dollars, respectively.

South Korean agricultural, forestry and fisheries exports stood at 3,078 million U.S. dollars, ranking 31st in the world, but increased 115 percent over 1985's 1,431 million dollars.

The United States was the largest agricultural exporter with 63,726 million U.S. dollars in exports recorded, followed by France's 37,725 million dollars, the Netherlands's 33,256 million dollars and Canada's 30,521 million dollars.

South Korea's rice production in 1992 was recorded at 6,404,000 tons, ranking 12th in the world, while China is the largest producer of rice with 187 million tons.

Cambodia

Khmer Rouge Criticize Senator McCain's Appeal

BK1805035495 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 17 May 95

[Unattributed commentary: "McCain's Statement Is Language Continuing To Fuel the War in Cambodia To Kill the Cambodian Nation and People; the Cambodian Nation and People Absolutely Oppose This"]

[FBIS Translated Text] When the United States summoned the puppet and communist Vietnam lackey named Chea Sim to Washington, McCain, a U.S. senator, appealed for aid to the traitorous two-headed government to continue fueling the communist Vietnamese aggressors' war to further kill the Cambodian nation and people.

The people and masses in Phnom Penh have denounced McCain saying that the United States is the one fueling the war of the communist Vietnamese aggressors and exterminators of the Cambodian race. The United States is a war criminal killing mankind. The United States is the Western ringleader destroying the Paris agreement and full national reconciliation. This has constantly fueled the war. The United States is the ringleader making the two-headed government more corrupt. This has made the two-headed government more fascist and the latter has intensified dictatorial and fascist activities against the Cambodian nation and people and has further massacred the Cambodian people.

Students say that the past few years in particular have confirmed that the policy of communist Vietnam and the alliance to continue fueling the war has been successively defeated. The Cambodian nation and people have waged an arduous and persistent struggle to smash and upset the military plans of these guys. The two-headed government is disintegrating in every field. In particular, the two-headed government lacks troops to fight in the military sector. Scores of soldiers have deserted.

Therefore, the military adventure of these guys cannot solve anything. The only way out is peace with national reconciliation for Cambodians of all shades. If these guys persist in continuing the war, they will certainly be smashed and dealt more serious defeats by the Cambodian nation and people.

Press Communique Issued at Plenary Session

BK1605114595 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 15 May 95

["Press communique" issued by the secretariat of the Provisional Government of National Union and National Salvation cabinet on 15 May; place not given]

[FBIS Translated Text] I. The cabinet of the Provisional Government of National Union and National Salvation [PGNUNS] held its plenary session under the chairmanship of His Excellency Prime Minister Khieu Samphan on Monday, 15 May. The cabinet thoroughly discussed and debated the overall situation of the Cambodian nation and people's struggle. The PGNUNS cabinet paid particular attention to the patriotic struggle movement in Phnom Penh.

II. The cabinet observed that the overall situation of the struggle — to save the nation and protect and perpetuate the country, people, and race waged by our nation and people at the end of the 17th dry season and the beginning of the 17th rainy season — is marked by major new changes in all aspects, especially:

1. The political aspect: This situation has worsened and deteriorated vis-a-vis the traitorous two-headed government. All people are opposed to the land-grabbing war of communist Vietnam, the war of the two-headed government, and the war of the alliance. The people in all social strata have risen up and joined forces to wage a struggle in the countryside as well as in Phnom Penh and abroad against the two-headed government because they have clearly realized that it is necessary to terminate this government for Cambodia to once again enjoy peace, national reconciliation, and national unity.

2. The economic-financial aspect: This situation has worsened vis-a-vis the two-headed government. Foreign aid has dropped. The decrease in aid results from the fact that the two-headed government has been defeated. It was defeated in the first year. When aid was reduced in the second year, the two-headed government was defeated even more. In the coming third year when aid is to be further reduced, the two-headed government will surely collapse even more and writhe in greater pains.

3. The social aspect: The social situation is extremely unfavorable to the two-headed government which is sitting atop a volcano of raging anger of the Cambodian people, both in the countryside and the cities. The people have lost land, paddies, orchards, cattle, rivers, and lakes. Their living conditions have deteriorated to the level of animals because the enemy has embarked on a policy of plunder and impoverishment. Communist Vietnam and the two-headed government have been

raping and ripping Cambodia to pieces, and now they are joined by the alliance in further skinning and bleeding Cambodia. Consequently, the people feel they have an acute antagonism toward the old and new enemies and the traitorous two-headed government.

4. The battlefield aspect: Militarily, the two-headed government is being utterly defeated because it has no troops to fight with and no rice to eat. The political, economic, and social aspects are the main factors determining the two-headed government's defeat on the military front. This was true in the first year, is true in the second year, and will remain true in the future.

5. The chief traitors are few in number. The entire nation mainly opposes the expansionist, land-grabbing, and genocidal communist Vietnam. In light of the increasingly acute antagonism due to national and social problems, the forces opposing the old and new enemies and their lackeys such as traitors Hun Sen, Chea Sim, Ranariddh, and Sar Kheng have changed and sprung up rapidly in the country, in Phnom Penh, as well as abroad. As for the two-headed government, it is no different from a boat with a leak that cannot be plugged. It is sinking like a rock to the bottom of the sea and it cannot be salvaged.

III. The PGNUNS and the National Union Party [NUP] note that the political movement of patriotic struggle conducted by the personalities and masses in all circles and social strata in Phnom Penh is growing in dynamism and resolve. This movement has its national policy and combat program:

1. On the war issue: It opposes communist Vietnam's war, the war of the alliance, and the war of the two-headed government. It wants genuine peace and national reconciliation.

2. On the issue of the millions of ethnic Vietnamese pouring into Cambodia to grab land, paddies, orchards, lakes, and rivers and to destroy our national traditions and culture.

3. On the issue of widespread corruption in the traitorous two-headed regime which is plundering, destroying, and selling out the nation's territories, forests, seas, islands, and underground as well as ground-level national resources on a large scale.

This policy is fully approved and supported by the entire nation and people. The PGNUNS and NUP officially and solemnly affirm their principled political stand of assisting and supporting all political movements of patriotic struggle in the country, in Phnom Penh, and abroad which have a policy of great national union and national reconciliation and fight to end communist

Vietnam's war for the sake of genuine peace and national reconciliation.

The PGNUNS cabinet would like to remind our entire nation and people that the fundamental objective of the NUP's political platform is to muster all forces of the great national union in Cambodia regardless of their political shade and color within the framework of:

1. An independent, sovereign, unified, peaceful, and neutral Cambodia with territorial integrity.

2. The efforts to build a prosperous Cambodia where Cambodians in all social strata can enjoy decent, sufficient, and bountiful living conditions in all aspects — political, economic, social, health, cultural, educational, spiritual, entertainment, and so on.

IV. The historic lesson of the struggles for independence, rights, and freedom waged both in Cambodia and the world and both in the past and at present confirms this truth: the enemy aggressors and the traitors, their lackeys, can never prevail over a people who rise up in struggle and follow a correct line. The Cambodian nation and people have risen up in a struggle against the enemy communist Vietnamese aggressors and the traitors, their lackeys, and have been able to wage this struggle for the past 16 to 17 years. They will surely be able to continue the struggle in the future and will unfailingly achieve more victories to protect and perpetuate the Cambodian nation, people, and race. The secretariat of the PGNUNS cabinet Monday, 15 May 1995

Khmer Rouge on Activities Around Battambang

BK1805065295 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 17 May 95

["Roundup" of guerrilla activities on battlefields around Battambang Town]

[FBIS Translated Text] 1. Route 10 battlefield. Sangke River front: Positions of two-headed government troops in Phnum Kop and at the Sange River bank have been surrounded by the army and people with stakes, mines, and sniper fire. One or two soldiers are killed or wounded daily. The enemy troops at these two positions have been forced to stay put.

By 14 May, the army and people began their successful attacks and destroyed these two positions. As a result, we killed five two-headed soldiers on the spot; seven others were wounded when they fled and stepped on punji stakes. We destroyed an ICOM field radio and two military shelters. We seized a B-41, an RPK, two AK's, two B-40 grandes, 30 rounds of AK ammunition.

After liberating these two positions, the army and people planted another 13,300 stakes and laid dozens of antipersonnel mines and 17 antitank mines in the Rong area.

On 12 and 13 May, the army and people planted 18,000 additional stakes, both plain and poisoned ones, and laid dozens of improvised antipersonnel mines and another five antitank mines in the Rong, Kompong Kul, and Don Mai areas. The army and people planted 1,200 stakes in area of the factory in Kompong Kul and laid 33 mines on 15 May.

Route 10 front: On 13 May, the army and people ambushed two-headed government troops west of Ta Paet position and launched attacks against Boeng Khting and Boeng Prey, killing four and wounding two. We seized 10 60-mm mortar shells and a quantity of war materiel. We planted 12,500 stakes and laid 53 antipersonnel mines and six antitank mines in the O Pot, Phnum Phkay Proek, and Ta Paet areas.

The army and people laid 38 assorted mines in the Ta Prek area on 15 May.

2. Battlefield west of Battambang Town: The army and people attacked invading two-headed troops at Sla Pang on 13 May, killing one and wounding another. On 14 May, the army and people attacked invading two-headed troops at Rohat Toek and Tang Reang and at the tip of Phnum Kamping Puoy, killing three and wounding seven. We planted 8,500 stakes and laid a number of mines.

Indonesia

Suharto Pledges To Help Iraq Over UN Embargo

BK1705123295 Jakarta ANTARA in Indonesian
1046 GMT 17 May 95

[FBIS Translated Text] Jakarta, 17 May (ANTARA) — President Suharto has said that Indonesia will continue to help Iraq to have the UN Security Council embargo lifted. Minister and State Secretary Mardiono disclosed President Suharto's pledge to reporters in Jakarta on Wednesday after the head of state received Iraqi Vice President Taha Yasin Ramadan at the Merdeka Palace. "The head of state made the pledge after Taha Yasin Ramadan called on Indonesia to support the Iraqi people's demand that the economic embargo be lifted for humanitarian reasons. Iraq appreciates Indonesia's just and wise stance on developments in the Middle East, especially regarding Iraq, which is facing the economic embargo," Mardiono said. The UN Security Council imposed the economic embargo on Iraq after the latter invaded and occupied Kuwait in August 1990.

Mardiono said that the head of state and Vice President Taha Yasin Ramadan agreed to lay down a long-term economic cooperation framework. Bilateral economic cooperation covers, among others, chemicals and textiles. "The two leaders agreed to have an agreement as an umbrella for wider economic cooperation. The two leaders also agreed on the need for the formation of a joint economic cooperation committee to enhance bilateral cooperation," Mardiono said.

The Iraqi vice president briefed President Suharto on an invitation for Vice President Try Sutrisno to visit Iraq. The invitation was extended to Vice President Try Sutrisno on Tuesday (16 May). The president expressed his gratitude for the invitation and said he would find a suitable date for Vice President Try Sutrisno to pay the visit.

Editorial on PRC Nuclear Test, NPT Issues

BK1705141495 Jakarta REPUBLIKA in Indonesian
17 May 95 p 6

[Editorial: "China Swipes the NPT"]

[FBIS Translated Text] China conducted another nuclear test on Monday [15 May]. The country admitted through its Foreign Ministry that it had conducted an underground nuclear test. China's latest nuclear test conveyed a different message than its previous tests. The test caused anxiety among nations that traditionally have problems with the country, such as Japan and Vietnam. It also ignored the pact signed in New York five days ago. It looks as if China took "lightly" the decision reached by 170 nations on the indefinite extension of the NPT.

As acknowledged, some 170 nations attended a conference in New York from 17 April to 12 May to discuss the extension of the Nuclear Nonproliferation Treaty, or NPT. A decision was reached to extend the NPT in compliance with the scenario of the United States and its allies. This means that countries that are signatories to the NPT must abide by the decision whether they like it or not.

China disagreed with the indefinite extension of the NPT from the very beginning. Some Nonaligned Movement (NAM) members such as Egypt, Iran, and Indonesia also voiced their opposition to indefinite extension. China's explanation was that the indefinite extension of the NPT would only enhance the West's hegemony given its strong offensive nuclear capability.

The explanations of Egypt and Iran were strongly centered on the West's inconsistency and untrustworthiness in connection with Israel joining the NPT. Apart from

this, Iran accused the West of being the major perpetrator of nuclear proliferation by providing Israel with funds for the construction of a nuclear installation meant to produce nuclear bombs.

Meanwhile, Indonesia considers the NPT issue a global and comprehensive issue. According to Indonesia, if all existing nuclear weapons in the world are not completely destroyed, then the indefinite extension of the NPT will only serve to widen the gap in military strength between the "nuclear nations" and their "nonnuclear counterparts." As such, the indefinite extension of the NPT is considered absurd when the world's nuclear powers are looming larger.

The indefinite extension of the NPT was a dilemma from the beginning right up to the conclusion of the conference. This dilemma was not even solved even after a decision was reached. This is due to the West's dominance of the interpretation and inconsistent implementation of the NPT.

This problem could be observed, for example, through an assessment made by Lawrence Scheinman, the U.S. President's adviser on the NPT issue. Scheinman said nuclear nonproliferation should be viewed as a ladder with several rungs. This assessment is based on the fact that there are nonnuclear and nuclear nations, but there are countries that have reached an advanced stage in the development of nuclear weapons.

If this capability is compared to a ladder, this would mean there are other countries that have yet to scale the ladder. By contrast, there are countries that have already scaled the first and second rungs and so on. Scheinman said the NPT's function is to halt those countries trying to reach the highest rung — which means to throttle their production of nuclear weapons.

It is clear that any future nuclear crisis cannot be solved using this interpretation regarding the indefinite extension of the NPT. This is because it is "considered" that the potent nuclear powers will continue to suppress the nonnuclear countries with their powerful nuclear capability. If this is the case, then what China did could be considered an early indication that the indefinite extension of the NPT is very frail even at the outset.

As such, more violations can probably be expected in the future because the New York pact was reached amid numerous agreements and contradictions — regardless of the consensus that was only reached in compliance with the West's expectations.

Air Force To Acquire New Hawk Jetfighters

BK1805133095 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 18 May 95

[FBIS Translated Text] The Indonesian Air Force [IAF] will acquire a new squadron of Hawk HS-200 jetfighters from Britain this year. The 16 Hawk planes will be delivered in several batches and the last one will arrive in December. This was disclosed to reporters by Vice Air Marshal I Gede Sudana, commander of the Indonesian Air Force First Operation Command, during a working visit to Wirasaba Air Base in Purbalingga district, Central Java, yesterday.

The 16 planes will be deployed in Pekanbaru to strengthen the country's western air defense command, which covers the area from Purbalingga in Central Java to Sabang in North Sumatera. The decision to acquire the Hawk planes is aimed at diversifying the types of jetfighters because the Indonesian Air Force is now already operating F-16's, F-5 Hornets, and others.

Habibie Business Network in Batam Viewed

BK1705094195 (Internet) SEASIA Listserv in English 1449 GMT 12 May 95

[Unattributed article: "Habibie's business empire in Batam: from real/industrial estates to the largest pig farm in the region"]

[FBIS Transcribed Text] [Indonesian Ambassador to UK] Fanny Habibie, after successfully mediating the London meetings between pro-Jakarta Timorese, is soon to be moved to Singapore, also as Indonesia's ambassador to that island-republic. Unofficially, though, this younger brother of [Research and Technology Minister] Rudy Habibie, Suharto's technological and political wizard, will also be instrumental in solidifying and expanding the interlinking business interests of the Suharto, Habibie, former Defense Minister Benny Murdani, and ethnic Chinese tycoon Lim Siu Liong families, since Batam — Singapore's nextdoor neighbour — is one of the most important centres of the Lim-Suharto-Habibie-Murdani family business empires.

After being appointed in 1978 by Suharto as chairman of BIDA (Batam Industrial Development Authority), Rudy Habibie appointed his own brother-in-law, the retired Mayor General Sudarsono Darmosuwito as BIDA's chief executive, based in Batam. Sudarsono's wife, Sri Rejeki, a younger sister of Rudy, has automatically become the chairperson of two charities, Yayasan Keluarga Batam and Forum Komunikasi dan Konsultasi (FKKS) Batam. These two organizations are practically in charge of all social activities in Batam and the adjacent Riau islands. By "social" is also included the intro-

duction of solar energy in the remote villages by BPPT [Agency for the Study and Application of Technology]-related companies.

After Sudarsono had been replaced by Supandi and later Gunawan Hadisusilo as BIDA's chief executive, he remains an important figure in the islands. Chairman

of the local Chamber of Commerce (KADINDA), Sudarsono runs a couple of family companies, such as company limited PT Bimatama Dharma Perkasa (a joint venture between Timmy Habibie's PT Timsco and Bambang Trihatmojo's PT Bimantara Citra), the Batam Island Country Club (before it was sold to PT

Singa Jeya), PT Citra Lingkungan Lestari (which carries out Environmental Impact Analyses for all Batam-based industries), and PT Indotri MandiriSakti, which is constructing and will manage the Sekupang and Telanga Pungkur harbours in Batam.

Timmy Habibie, by the way, or Suyatim Abdulrahman Habibie, is the youngest of the eight Habibie siblings, who established PT Timsco Indonesia in 1977 as a civil engineering contracting firm. Fellow shareholders in PT Timsco were Timmy's late mother and his sister-in-law, Meike Mariam Habibie, wife of the future Indonesian ambassador to Singapore (sic!).

Since Timmy is busy running the Timsco conglomerate from its Jakarta HQ, Sudarsono is practically in charge of most of the Timsco member companies in Batam. Two of his most important jobs are the management of the 500-ha Batamindo Industrial Park, and the management of the 10,000-ha integrated pig-crocodile-poultry ranch, combined with an orchid and vegetable plantation in Bulan Island, near Batam, which is managed by PT Sinar Culindo Perkasa. The majority share owner of Sinar Culindo Perkasa, which supplies 15 percent of Singapore's pork demand, is the Salim Group, with Timmy Habibie, Tommy Suharto, and Harry Murdani (Benny Murdani's older brother) only controlling minority shares.

Meanwhile, the Batamindo Industrial Park is managed by PT Batamindo Investment Corporation, a joint venture between PT Herwindo Rintis and two Singaporean companies, Singapore Technologies Industrial Corporation (SITC) and Jurong Environmental Engineering (JEE), which are partly owned by the Salim Group as well. PT Herwindo Rintis itself is owned by Rudy Habibie's sons, Ilham and Thareq, Timmy Habibie, Bambang Trihatmojo, and the Salim Group. So, one can say that the major economic engine of Batam is actually the Salim Group, whose future CEO [executive chief officer], Anthony Salim, had allegedly a Singaporean as well as an Indonesian passport.

Another member of the Habibie family which has a base in Batam is Satoto Habibie, Rudy's eldest brother, whose company, PT Habindo Satria Perkasa, obtained a licence from BIDA to become a business partner of PT Peteka Karya Gapura, a state oil corporation Pertamina subsidiary, to cleanse 65,000 tankers per year. Another Habibie company operating in Batam is PT Trimitra Upayatama, owned by Rudy Habibie's sons and his youngest sister, Sri Rahayu Fatima alias Yayuk. They formed a joint venture with another Chinese conglomerate, Citramas Group, to build a [Singapore dollar] S\$150 million tourist resort in cooperation with three Singaporean companies: Keppel Group, Natsteel

and LKN [expansion unknown] Construction. While the youngest player in Batam empire is PT Repindo Panca Group, a joint venture between Thareq Kemal Habibie, a group of East Indonesian businessman, and Abu Hartono, the head of the military faction in the parliament. This company was just set up a year ago (March 1994), and is still new in Batam.

So, the question arises: whose interests will Fanny Habibie serve as the upcoming Indonesian ambassador to Singapore: the interests of the Indonesian people, including the indigenous people displaced by the modern industrial, trade, and tourism activities in Batam, or the interests of the Singapore-based Lim Siu Liong-owned companies? The more fundamental question arises then: are all these private companies operating in Batam and partially owned by the Habibie, Suharto, and Murdani families not in conflict with the public interests which Habibie, Suharto, and previously Benny Murdani have to serve?

Suharto Endorses Appeal on TEMPO Ruling

BK1705133695 Jakarta THE JAKARTA POST in English 11 May 95 p 1

[FBIS Transcribed Text] Jakarta (JAKARTA POST): Minister of Information Harmoko says he has the full support of President Suharto in his move to appeal against a court ruling which found his decision to close down Tempo weekly news magazine last year to be unlawful.

Harmoko said after meeting with Suharto on Tuesday that the head of state approved of his move and of his decision to appoint Attorney General Singgih to represent him during the appeal process.

The State Administrative Court early this month ordered the minister to revoke his decree rescinding Tempo's publishing permit and to give the magazine's proprietors and employees back their license to operate.

There have been calls from a number of legal experts urging Harmoko to simply accept the verdict and not to file for an appeal. The concern is that the appeal process through the High State Administrative Court and possibly the Supreme Court could take years to resolve.

Harmoko said that during the meeting Suharto reminded him that the government should respect all of the decisions of the court, whatever they may be, in the name of truth and justice.

The President was also quoted as saying that the government should base all of its decisions on law.

Harmoko said he has given power of attorney to Attorney General Singgih to handle the case at the appeal level. "I've already signed the document."

It was the minister who suggested that the Tempo journalists and others, who were not content with his decision to revoke the publishing permit, sue him through the State Administrative Court rather than staging street protests.

Tempo lost its license because it repeatedly ignored government warnings regarding its editorial content, according to the Ministry of Information. Besides Tempo, two other weekly magazines, DeTIK and Editor lost their licenses at the same time. Only Tempo decided to take up the challenge in court.

Article Cites Reason for MP's Downfall

BK1705065295 (Internet) SEASIA Listserv in English
0636 GMT 16 May 95

[Unattributed article: "Sri Bintang's 'Mortal Sin'"]

[FBIS Transcribed Text] Why are the Indonesian authorities currently treating one of Indonesia's finest (former) MPs, Dr Sri Bintang Pamungkas, as a crook? The official reason is, as stated bluntly by those in power, that he instigated public rallies against President Suharto in Germany, last April (as if the German activists themselves could not do that). However, what the Indonesian press consciously suppress right now, is maybe a more important reason. Namely, that Sri Bintang was the first Indonesian MP to expose the credit scandal of limited company PT Sritex, an Indonesian-owned textile factory near Solo, Central Java, which prides itself of being the largest integrated textile factory in Southeast Asia.

In fact, apart from criticizing the aging Indonesian ruler in front of a foreign public, that might be Sri Bintang's "mortal sin" to Indonesia's ruling elite, which had led to his dismissal from the parliament earlier this year. Bambang Warih Kusuma, another MP but from the ruling party, Golkar [Functional Group], had also been dismissed from the parliament around the same time, after disclosing the credit scandals of PT Kanindotex, another large textile factory in Central Java with close ties with the Indonesian regime. Fortunately for Bambang, coming from the ruling party and not having expressed his criticisms in public rallies abroad, he has so far been saved from police interrogations in contrast to his colleague, Sri Bintang.

Sri Bintang's accusation

In March 1994, during the height of the public outcry over the misuse of state bank credits by 37 large business groups (conglomerates), the outspoken Islamic parliamentarian had added fuel to the fire by pointing his

finger at the Solo-based textile factory in a speech at the Muhammadiyah University of Surakarta. After a series of denials by Sritex spokespersons as well as a harsh rebuke by the local military commander, the Sritex case was shelved.

Only in November 1994, the issue resurfaced, after the governor of Bank Indonesia, the central bank, admitted in a hearing with Sri Bintang's commission in the parliament, that PT Sritex was involved in some credit irregularities with Bank Dagang Negara (BDN) [State Trading Bank], an Indonesian state bank. The magnitude of credit at issue was 1 trillion rupiah (nearly US\$ 500 million). But again, the news story was promptly 'killed' by authorities of the Department of Information, by calling the newspaper editors to quit writing about the Sritex case.

Why should the Information Department officials kill the Sritex story, which they had not done in the case of the Eddy Tanzil-Bapindo [Indonesian Development Bank] case? Here comes in the strong Harmoko as well as Suharto family connections with Sritex.

Old-time buddies from East Java

Lukminto (formerly Lu Kie Hian), the majority shareholder of PT Sri Rejeki Isman Textile Factory, in short, Sritex, has had a very close relationship with Harmoko since childhood. Born in Kertosono, Nganjuk, East Java, on June 1, 1946, Lukminto comes from the same home town as Harmoko, who was born there on February 7, 1937. A former Confucian, he allegedly converted to Islam during the process of obtaining a large loan from BDN, and has used the name "Mohammad" in addition to his chosen Javanese name.

As a result of his long-lasting friendship with the Golkar chairman, all yellow Golkar batik shirts have to be ordered from Sritex, which in September 1994 obtained a copyright for those designs. So that practically speaking, every time Harmoko appears on the state TV screens, addressing a Golkar crowd in any village in Indonesia, he is not only campaigning for Golkar, but also carrying out sales promotion for Sritex, paid for by the TVRI [state television] subscribers. The company also monopolizes the production of military jungle uniforms as well as uniforms of Indonesian elementary to high school children.

Harmoko's younger brother

Although Harmoko's name is not officially listed in any of the records of the companies established by Lukminto, the name of a younger brother of the Golkar chairman, Nur Slamet Asmoprawiro, is listed in two of Lukminto's companies. The first one is PT Golden

Cahaya Video, a video production company established in 1985 with a capital investment of 20 million rupiah, equally divided by Lukminto and Nur Slamet. Two years later, Nur Slamet brought his business partner, the former film actress Nuke Mayasaphira into a new joint venture with Lukminto, namely PT Merdecindo Permai, a food and beverages company. In 1987, however, the business trio sold the company to its current owners.

Nur Slamet Asmoprawiro, who recently passed away, has taken his female business partner into other ventures, namely an outdoor advertisement company, as well as into Bisnis Maritim, one of the 10 media of Harmoko's Pos Kota Group.

The Tutut and Macedo connections

Besides being close to the Harmoko family, Lukminto is also close to Suharto's oldest daughter, Mbak Tutut. Hence, Sritex has taken part in Mbak Tutut's drive to employ young East Timorese workers in Indonesian factories, and to export the fruits of their toil to East Timor's official metropole, Portugal. On February 14, 1994, the first shipment of 15 tons of cotton yarn from Sritex was cleared by customs at the Port of Leixoes in Portugal. It was ordered by Manuel Joaquim Rodrigues Madeco, a Portuguese businessman who heads the Indonesian-Portuguese Friendship Association. The raw material was to be turned into cloth for making, among other, shirts and sheets in Macedo's textile factory in Ermesinde.

Ironically, although they had contributed to Mbak Tutut's pro-integration and pro escudo campaign, the East Timorese workers do not enjoy the same religious freedom as their Muslim co-workers. The poor girls are not free to attend the Sunday mass in Sukoharjo, the textile mill town, since they have to report for work on 0700 pm. In contrast, Muslim workers are free to say their sholat [routine] prayers during work hours as well as attend the Friday prayers in the company's musholla [small mosque]. From the hundred East Timorese workers which arrived three years ago, only thirty have stayed behind in Sukoharjo, last year.

One of the 100 largest conglomerates

From a small textile shop in Pasar Kliwon in the heart of the city of Solo, Sritex has grown into a conglomerate of 16 companies, involved in trading, textile and paper production, tourism, and other services, based in Surabaya, Solo, Yogya, Magelang, Jakarta, and Hongkong, with a 40 billion rupiah (about US\$ 70 million) worth of assets and 175 billion rupiah (about US\$ 87 million) worth of sales turnover. Last year, it was already rated among Indonesia's hundred largest conglomerates by the busi-

ness magazine EBRI (ECONOMIC AND BUSINESS REVIEW INDONESIA, April 23, 1994).

In spite of belonging to the hundred largest conglomerates in Indonesia, Sritex's labour and environmental records have been very poor, even according to other Indonesian politicians. Early last year, when members of the Indonesian parliament inspected the factory, it was found out that only one third of the 12,000 workers were covered by the government's worker insurance scheme, Astek. Apart from that, there were still workers who received daily wages of 1,600 rupiah (about US\$ 0.75), far below the required Central Java minimum daily wage of 2,600 rupiah (about US\$ 1.25). And even Central Java governor Suwardi had criticized Sritex for its poor waste control system and its lack of participation in alleviating the poverty of the surrounding communities.

Punishment by Harmoko's protege

So, what was wrong with Sri Bintang's attempt to disclose the misuse of public funds by Sritex, which is a proper task for every parliamentarian as well as the parliament as a body, which, according to Article 23 of the 1945 Indonesian constitution, has to uphold the people's budgetary power over the executive branch of the government? Unfortunately, exposing the business connections of the Harmoko family is a mortal sin, according to Suharto. And as Harmoko's major protege, Suharto wants to punish Sri Bintang Pamungkas, just as he punished TEMPO [magazine] for coming too close to the Habibie family's business connections in the German Navy ships deal.

Philippines

Ramos Sends Letter to Jiang Zemin on Spratlys

BK1805052995 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 0500 GMT 18 May 95

[FBIS Translated Text] President Fidel Ramos has sent a letter to Chinese President Jiang Zemin in response to the Chinese Government's previous proposal for an agreement. This still concerns the worsening tension between the claims of the two countries on the Spratlys Islands.

Foreign Affairs Secretary Domingo Siazon, Jr. has refused to divulge more details of the letter.

Earlier, China warned of bad implications if the Philippines makes another reckless move, after Manila sent newsmen to the Spratlys last Sunday.

Condemns PRC's Nuclear Test

*BK1805063295 Quezon City Radio Filipinas
in English 0230 GMT 18 May 95*

[FBIS Transcribed Text] President Ramos has condemned the nuclear test made by China on Monday, as he called on Beijing to reconsider its policy of continuing with its nuclear weapons program in view of world-wide arms reduction and regional peace.

President Ramos said he found it very ironic how Beijing could conduct its 30-second nuclear test just four days after 178 countries, including China, agreed on the indefinite extension of the Nuclear Non-Proliferation Treaty. President Ramos said China should consider two factors in reviewing its nuclear arms policy: the move to eliminate or drastically cut nuclear weapons all over the world; and the unprecedented growth in the Asia-Pacific region which is hinged on peace and stability.

Jiang Zemin Assures Ramos No War

*BK1805065595 Manila MANILA STANDARD
in English 16 May 95 p 7*

[Report by Joem Macaspac]

[FBIS Transcribed Text] China will not go to war against the Philippines over the Spratly dispute. Just like the Philippines, it prefers to resolve the territorial dispute through negotiations.

This assurance was given by Chinese President Jiang Zemin to President Ramos in a letter presented in Malacanang by newly designated Chinese Ambassador to Manila Guan Dengming. Guan presented his credentials to President Ramos.

In his letter, President Jiang also supported a proposal by President Ramos that the Spratly Islands be developed jointly by all claimant countries.

The Spratlys, a potentially oil-rich cluster of islands in the South China Sea, which many fear could be the region's next flashpoint, is claimed in whole or in part by China, Vietnam, Malaysia, Brunei, Taiwan, and the Philippines.

Guan said his government remains committed to the peaceful resolution of the conflict over the Spratly Islands.

Mr. Ramos, showing Guan a map of the South China Sea, stressed that Mischief Shoal (Panganiban Reef) and other island groups in the Spratlys "are just too close to home" and should be respected as Philippine territory.

Mr. Ramos also stressed that his proposal for the joint exploitation and use of the island meant that all claimant countries will be allowed to participate.

President Ramos accepted the Jiang letter and is expected to respond by thanking Jiang for his government's acceptance of the Philippine proposal to find a peaceful resolution to the Spratly problem.

During the meeting, Guan also reiterated his government's disappointment to the Ramos government's refusal to stop a contingent of Filipino and foreign newsmen from going to the contested islands.

China discreetly protested the move saying this could jeopardize the gains that have been made by Chinese and Filipino diplomats in coming to the negotiating table to solve the dispute.

China said the Philippines was actually trying to internationalize the issue and by doing so could force a situation where Chinese diplomats would refuse to negotiate.

Acting Foreign Affairs Secretary Domingo Siazon, however, stressed that the Philippine Government cannot violate the people's freedom of speech and of the press which are guaranteed under the Constitution.

Siazon said Mr. Ramos has emphasized that the trip of the journalists to the Spratlys, which ends on May 17, should not be viewed as a provocation on the part of the Philippines.

Mr. Ramos said many local and foreign newsmen have long wanted to go to the disputed territory and "it is only now that the trip has been made possible."

He said the trip is purely a "civilian operation, an exercise to be able to meet the strong desire of the local and foreign media to know more about the actual situation in the Spratlys."

But the visit allows the newsmen to take photographs of the steel structures built by China in Panganiban Reef, which is claimed by the Philippines, and will show that China has indeed occupied an area considered as Philippine territory.

Military reports indicated that Chinese navy vessels have been spotted guarding these structures.

This incursion has caused great concern among Filipinos since the Reef is near to Palawan, Mr. Ramos told the Chinese ambassador.

Mr. Ramos maintained that the Chinese Government must take the initiative in removing the structures.

Diplomatic talks on the Spratlys will continue during the Association of Southeast Asian Nations' ministerial conference in Brunei in July.

China, although not a member of ASEAN, is expected to send observers to the meeting.

Siazon: Manila, Beijing Still Split on Spratlys*BK1805075695 Manila THE MANILA CHRONICLE
in English 16 May 95 pp 1, 7*

[Report by Cynthia Lopez-Dee]

[FBIS Transcribed Text] The Philippines and China remain good friends but they differ on how to reconcile their differences in managing the conflict in the South China Sea, Foreign Affairs Secretary Domingo L. Siazon said yesterday.

According to Siazon, the Chinese want direct talks between Manila and Beijing on how to develop the rich resources in the disputed areas which include the Spratly Islands, while the Philippines wants all claimant countries to collectively develop the place.

Siazon briefed reporters on the brief discussion between President Ramos and new Chinese Ambassador to Manila Guan Dengming who presented his credentials yesterday.

Siazon said the president explained the Philippine position, particularly its proposal for joint development. By joint development, the president explained, it actually meant the participation of all countries with claims to the areas in question.

Siazon said the president cited the case of Indonesia, which is not a direct claimant, but which has been participating in finding a solution to the conflict.

The Spratlys is being claimed in part or in whole by China, Vietnam, Taiwan, Malaysia and Brunei. It is believed to be sitting on top of rich oil and mineral deposits.

China has included the Spratlys in its map but has acknowledged that other countries are also claiming the area. It has told Philippine leaders that it favors bilateral discussions to solve the ownership question.

China has already allowed an American company to explore within Chinese-held areas and has forged with Vietnam an agreement to develop their borders.

In several workshops on managing the conflict in the South China Sea, Southeast Asian countries have proposed joint development in areas like environment protection, fisheries, and cooperation in disaster management.

Siazon also reported that the president and the Chinese envoy also discussed the issue of 38 Filipino and foreign journalists who had been allowed by Manila to visit the Spratlys. The Chinese protested the move, saying the Philippines may be internationalizing the issue.

The foreign secretary said: "The Chinese envoy referred and expressed regret concerning the visit of foreign and Philippine journalists to the disputed area and indicated that he had exerted maximum restraint."

The president reportedly said the visit was not a provocation and it was a civilian operation. He said there have been previous trips to the Spratlys by journalists.

Manila Rejects PRC Plan*BK1805073995 Manila BUSINESS WORLD
in English 16 May 95 p 11*

[Report by Paul N. Villegas]

[FBIS Transcribed Text] The Philippines yesterday rejected China's proposal to undertake bilateral projects in the disputed Spratly Islands as it reiterated its long-held position that only multilateral development projects involving the six claimant countries are acceptable.

Foreign Affairs Secretary Domingo Siazon said Manila has made it clear to Beijing that the sovereignty issue in the Spratlys is multilateral in nature.

"Understanding each other's position is a good start," Mr. Siazon told reporters yesterday in Malacanang after he accompanied Beijing's new envoy to Manila, Ambassador Guan Dengmin, in presenting his credentials to President Ramos.

"We hope the Chinese Government clearly understands our (Philippine) position on establishing joint multilateral development projects in the area," the foreign affairs chief added.

Mr. Guan has assured the president that Beijing intends to solve its differences with Manila on the Kalayaan Islands in a "friendly and peaceful manner."

The envoy hand-delivered a letter from Chinese President Jiang Zemin to Mr. Ramos reiterating Beijing's warm ties with Manila and its viewpoints on the South China Sea dispute.

Mr. Siazon declined to reveal the contents of the letter, saying it was sealed and needs to be studied further.

He said high level talks on the Spratlys dispute will continue and will be discussed in the forthcoming ASEAN Regional Forum in Brunei, where Beijing is expected to participate along with 17 other major players in the region, including the United States, Japan, and the six ASEAN states.

Mr. Siazon earlier said Manila wants to internationalize the Spratlys issue through a peaceful dialogue involving all the claimants.

"I think we have to use every possible means to protect our national interest ... We are talking with China and we've suggested we would like to develop the area under contention involving all the claimants. We don't want to address this issue bilaterally," he told reporters recently.

However, he ruled out the possibility of elevating the issue to the United Nations because China, in its capacity as permanent member of the Security Council, could easily use its veto power to thwart efforts by any of the claimants to raise the issue to the UN.

During the Chinese envoy's one-on-one talk with Mr. Ramos, the president insisted on pushing through with his stewardship proposal in the area. Under this concept, countries closest to each disputed island in the South China Sea will have the prime responsibility to accommodate the other claimants' need for shelter, anchorage, and other peaceful pursuits.

Geographically, the Philippines is the closest claimant to the Kalayaan Islands, which include Panganiban or Mischief Reef, about 135 nautical miles from the southwest coast of Palawan. It is 100 nautical miles closer to Palawan than Pag-asa, the main island of the Kalayaan municipality.

Manila and Beijing recently figured in a diplomatic squabble when Chinese military structures and naval vessels were spotted on the Panganiban Reef.

The disputed Spratly Islands, which are believed to sit atop large reserves of oil and gas, are being claimed wholly by China and in part by the Philippines, Brunei, Malaysia, Taiwan, and Vietnam.

Meanwhile, the Chinese ambassador expressed regret over the visit of some 38 foreign and local journalists to the Philippine-claimed portion of the Spratly Islands, saying that Beijing has exercised "maximum restraint."

However, Mr. Ramos downplayed the envoy's concern, saying that the visit was not meant to "provoke" Beijing. It is "civilian" in nature because both foreign and local press are there to know the area better, Mr. Siazon quoted the president as saying.

In asserting the Philippines' claim over the Mischief Reef, Mr. Ramos was reported to have shown the Chinese envoy a map pointing that the group of islands claimed by China is "extremely" close to Palawan and very much within the country's 200-mile exclusive economic zone.

President Creates Nuclear Power Steering Committee

*BK1805134195 Manila MANILA STANDARD
in English 16 May 95 p 4*

[Report by Joem H. Macaspac]

[FBIS Transcribed Text] In a move to ensure the country's power supply, President Ramos has given the go-signal to begin a program that will harness nuclear energy, to produce electricity.

He created a special committee — the Nuclear Power Steering Committee — which will provide policies, direction, monitoring and evaluation to attain the objectives of the overall Nuclear Power Program of the country.

The committee, created under Executive Order No. 243, is composed of the Energy secretary as chairman, the secretaries of Science and Technology and Environment and Natural Resources as co-chairmen, and the following as members:

The secretaries of Education, Culture and Sports, Justice, National Economic and Development Authority director general, press secretary, National Power Corporation (NPC) president, the Philippine Nuclear Research Institute (PNRI) director, a Presidential Assistant; and two members of the private sector to be appointed by the president.

According to the president, known world energy resources such as oil and liquid natural gas may not be sufficient to support the progress needed to give the growing population the quality of life it deserves, as these sources may last only up to the first half of the next century.

The president also emphasized the need to reduce chemical and particulate emissions into the atmosphere to bring about a cleaner environment.

The inter-agency committee tasked to develop a comprehensive Nuclear Power Program for the country has determined that nuclear power is a potentially viable energy source which may be considered to partially fill the required energy gap, the president said.

The Committee will assess the viability of the nuclear power program, prepare the necessary action and work programs and will also determine the sources of funding to carry out its mandate.

The Steering Committee will have inter-agency subcommittees to fulfill its mandate. These are:

The Siting Committee which will conduct specific studies on potential nuclear power plan sites nationwide.

The lead agency is the NPC and its members are from the DENR [Department of Environment and Natural Resources], DOST [Department of Science and Technology], DOE [Department of Energy], the OP [Office of the President] and the PNRI;

The Radioactive Waste Management Committee to study and identify sites for final radioactive waste disposal. Lead agency is PNRI with members from the DOE, DENR, DOST, the NPC and the OP;

Nuclear Energy-related Legislation Sub-committee to draft and work for the passage of the necessary legislation in pursuit of the nuclear power program. The lead agency is DOJ [Department of Justice] with DECS, DENR, DOE, DOST, the NPC, the OP and PNRI, as members;

Nuclear Manpower Development Program Subcommittee with DOST as the lead agency and the DECS, DOE, the DENR, the NPC, the OP and the PNRI as member agencies;

Nuclear Power Public Education and Information Subcommittee to formulate an effective nuclear power public education and information program. The lead agency is DECS with the DENR, DOE, DOJ, DOST, NPC, the OP, the OPS, and the PNRI as member agencies;

Research and Development Programs on Nuclear Safety and Nuclear Fuel Cycles Subcommittee to conduct research and development programs on the various facets of the nuclear cycle, including the resumption of activities on uranium exploration and nuclear fuel development and fabrication. The lead agency is PNRI, to be assisted by DOE and NPC;

Feasibility Study on Nuclear Power Plant Operation to be conducted by the NPC; and

The Feasibility Studies on Nuclear Reactor Design Alternatives to be conducted also by the NPC.

Thailand

U.S., Japan Criticized for Trade Discord

BK1805033595 Bangkok *THE NATION* in English
18 May 95 p a4

[Editorial: "U.S. Sanctions on Japan Could Backfire"]

[FBIS Transcribed Text] The United States on Tuesday targeted 13 models of Japanese luxury cars for 100 per cent duties that could cost \$5.9 billion, a record amount in U.S. trade sanctions. Under the trade law, the U.S. must allow at least 30 days for public comment with the final determination to be made on June 28.

In announcing the hit list, U.S. Trade Representative Mickey Kantor said "Japan markets should be open to our products. It is a fundamental question of trade access."

The U.S. and Japan had been negotiating over American access to the Japanese automobile market for about two years but their negotiations broke down earlier this month during ministerial level talks held in Canada. The Japanese claimed that the Americans are seeking quotas in defiance of world trade rules and that they were trying to bully Japan into ignoring market forces and to engage in government-managed trade.

A key sticking point in the 20-month talks is a U.S. demand, roundly rejected by Tokyo, that Japanese carmakers unveil fresh "voluntary" plans to buy more American car parts. Japan has got some support from Europe, which believes that the sort of sweetheart deal the Americans are demanding will hurt European carmakers who already have lucrative car markets in Japan.

The one striking success for European car-makers in Japan for the past decade has been with German luxury models, particularly BMWs, which are selling well.

The American rationale for targeting Japanese luxury cars is two-fold. Firstly, the auto industry is important to Japan as it forms the foundation of its industrial structure, and the U.S. sanctions would hurt where it matters most. Secondly, the Clinton administration would not incur the wrath of U.S. consumers domestically, because there are readily available alternatives for them. If one didn't want Toyotas or Nissans, one could switch over to Fords or Chryslers.

It is a known fact that certain dealership structures make it very difficult for any foreign cars to get into the Japanese market. A Toyota dealer for instance, with very few exceptions, will not handle non-Japanese cars. In contrast, when Japanese cars first entered the U.S., they did so through existing dealerships like General Motors or Chrysler which readily took Japanese models for sale.

But there is a way out of this predicament without the U.S. resorting to punitive measures. If the Clinton administration feels that Japanese car manufacturers are guilty of anti-competitive practices, the U.S. should initiate a joint anti-trust investigation with the Japanese government.

Trade deficits

Instead of adopting this rational approach, the U.S. seems bent on imposing sanctions. This will only create a strong anti-U.S. sentiment in Japan and astute Japanese politicians will use every opportunity to win votes by standing up to the U.S. — especially since they can cite free-trade principles for their stand.

The U.S. has focused on cars and car parts because they make up more than half of the U.S. trade deficit with Japan. But the real problem lies in domestic policies.

To reduce trade deficits, the U.S. government ought to reduce spending and consumers should increase savings. On the other hand, Japanese lawmakers should stimulate domestic demand by deregulating the markets, so that prices will fall and the trade surplus can be reduced.

In reality, both the U.S. and Japan are ignoring the trade facts and are playing up the confrontation as a means of pampering over their inabilities to handle domestic issues.

'Controversial' Universal Insurance Case Cited

*BK1805070095 Bangkok BANGKOK POST
in English 18 May 95 p 15*

[Report by Chatrudi Theppharat and Walailak Kiritaphiphathong]

[FBIS Transcribed Text] Legal experts from the Commerce Ministry including the minister himself are struggling hard to reverse the interpretation of the Council of State on the controversial Universal Insurance Co case.

The council's interpretation barring the insurer from opening branch offices may not be accepted by the Government, according to a high-ranking Commerce Ministry source.

On Tuesday, Deputy Prime Minister Suphachai Phanitchaphak, Commerce Minister Uthai Phimchaichon, Finance Minister Tarin Nimmanhemmin and representatives of the Foreign Ministry and the Council of State discussed possible ways out for the Universal Insurance Co, which wants to open 11 branch offices here.

The importance of trade ties between Thailand and the United States was raised, and the meeting was likely to place greater emphasis on bilateral trade which might be harmed by the case, a source said.

Mr. Uthai said that he was afraid Thailand might lose its export market in the U.S., and warned the Government to show more concern for the trade relationship.

He added that the opening of Universal's branches would not have negative consequences for the local industry, as the insurer has only a small market share at the moment. On the other hand, the move will encourage more competition among operators.

The same source said that as Mr Uthai is a lawyer, he had raised several legal aspects against the council's interpretation. The minister insisted that the company is of Thai nationality as it was registered in the country in 1952 with an all-Thai shareholding.

The 1972 National Executive Announcement 281 or Alien Law cannot give a retroactive effect to the insurer status, because the law has not yet been ratified by the Thai parliament.

The point was raised against the council, which give the definition of insurance business earlier as a fiduciary business by which the government should protect the locals.

"For these reasons, the insurer is eligible to open branches," Mr. Uthai was quoted as saying.

The council's earlier interpretation was that the insurer, 99.84 percent of the shares in which are held by foreigners, is not a Thai firm, and recently ruled that the company cannot open branch offices under section 115 of the Non-Life Insurance Act 1992.

The transitional provisions under Section 115 said the company will apply for permission to open a branch office within one year of the date of the Act coming into force.

But the council agreed that the insurer cannot benefit from the section as it has the status of a foreign company, except that the company would change its shareholding proportion to be a Thai firm with not less than 75 percent of the shares held by Thai nationals.

Section 9 of the Non-life Insurance Law of 1992 stipulates that the proportion of Thai shareholding in a Thai insurance company must be not less than 75 percent.

Dr. Suphachai, as chairman of the International Economic Policy Committee, said the Government is likely to amend the 1992 insurance laws to raise the proportion of foreign shareholding from the current 25 percent.

The final decision over the Universal case will be made soon by the International Economic Policy Committee.

Dr. Suphachai said the amendment to the 1992 insurance law may be the best way to tackle the case, adding that the meeting also discussed the newly amended Alien Law 281 which will grant more rights to foreign investors doing business in Thailand.

Finance Ministry 'Responsible' for Inflation

*BK1705140895 Bangkok THE NATION in English
17 May 95 pp B1, B5*

[Report by Wichit Chaitrong]

[FBIS Transcribed Text] Just days before the no-confidence motion debate, Deputy Commerce Minister Chaiyot Sasomsap has attacked the Finance Ministry

after an argument over who is responsible for the rising consumer price index.

The government had set a 1995 target of five per cent for the CPI, but it edged up 5.4 per cent on an annual basis in April.

Government sources said some economic ministers blame the Commerce Ministry for its failure to stem the rise in price of consumer goods, but Chaityot said Finance Minister Tharin Nimmanahemind is responsible.

Chaityot said the Finance Ministry is at the root of the inflation problem because has raised interest rates several times this year.

Moreover, Chaityot said the Transport and Communication Ministry has failed to solve the traffic crisis which has led to higher transportation costs and contributed to higher inflation.

The economic ministers had significant reasons for focusing on inflation on Monday. The year-on-year consumer price index (CPI) rose by 5.4 per cent in April indicating the government will have difficulty keeping its promise of a five per cent or lower inflation rate for the year.

The opposition has discovered that inflation is an issue it can use to discredit the Chuan administration during the upcoming no-confidence debate. It will point out that inflation erodes public purchasing power.

The public is also wondering why food and consumer product prices are rising.

Local consumers blame inflation on rising commodity prices. Increased prices for vegetables, fruit, meat and tapioca flour have forced overall food prices up. In addition, price increases for products like rubber have pushed up the price of tyres, shoes and other downstream products.

Chaityot has said that food price rises are seasonal in nature but his argument does not hold weight with some producers. A number of consumer good producers have raised prices without waiting to see if rising prices are cyclical or not.

Somphon Kiatphaibun, director-general of the Internal Trade Department, last week forced ice cube producers to reduce the retail price of ice by Bt1 [Thai baht] per kilogramme. He said, "They (the ice producers) increased prices because many other products have increased in price and they did not want to be left behind."

Some analysts attribute the rise in the rate of inflation to the government's Bt8 billion fund, which is designed to shore up commodity prices.

Officials argued, however, that commodity price increases come from a supply shortage, not measures by the Commerce Ministry.

For example, the increase in the price of rubber stems from strong local and international demand by the expanding auto industry; maize and rice bran cakes have increased in price because they are being used as animal feed for the expanding local meat industry; the price of cassava has increased because of the demand for tapioca flour in China and Indonesia and the demand for tapioca pellets in Europe; and vegetable and fruit prices have increased because of a shortage caused by hot weather in April.

There are only 22 products on the price control list and they are closely monitored by the Commerce Ministry. Most other products, however, are not regulated and can be increased without the consent of the Commerce.

Chaityot criticized the Bank of Thailand's decision to raise its commercial lending rate by one per cent in early March, saying it was a cause of inflation. He argued the interest burden has hurt businesses and merchants and they have passed the burden on to consumers.

Finance officials, however, have good reason to defend high interest rates. Authorities said the rising rate is a method of stabilizing the baht and preventing a capital exodus from the country. Moreover, it should help prevent excessive economic growth which might lead to more inflationary pressure.

The campaign to raise the minimum wage by Bt20 may also be contributing to inflation.

Buyers have found that some merchandisers have already raised prices ahead of the wage hike, while investors have said that further wage increases will undermine price-competitiveness.

Despite the prospective rise in wages, Deputy Prime Minister Suphachai Phanitchaphak said before May Day that labour is no longer an important economic factor now that the Thai economy has become more sophisticated and is moving away from labour-intensive industries.

It appears the short-term solution is to delay the increase of the minimum wage to reduce its psychological impact on the inflation rate.

The delay may occur despite the fact no minister will guarantee that the Bt135 per day minimum wage is enough for the basic human requirements of protein.

calories, shelter, clothing, medical care and education. Ministers, employers and academics are accusing trade union leaders of using the minimum wage debate to fuel their political ambitions.

The Chuan administration may be able to survive the no-confidence motion by deflecting charges against it and refusing to accept blame for failing to curb inflation. If pressure from business and the opposition becomes too intense the government may have to delay assistance programmes for farmers and suspend plans to raise wages in an effort to control prices in the short term.

The government, however, should not only be thinking of how to save its face in this matter. If self preservation is its only motive for acting, farmers and labourers will have to shoulder the burden of inflation.

The Chuan administration should find a way to solve the inflation problem over the long term by isolating its causes and offering a solution.

Cabinet Approves Budget for New Airport

BK1705143195 Bangkok Radio Thailand Network in English 0000 GMT 17 May 95

[FBIS Transcribed Text] The cabinet yesterday approved the budget and organizational plan of the second Bangkok international airport or the Nong Nguhao Airport.

The cabinet earlier approved an investment budget of 97,300 million baht for the airport. Accordingly, the cabinet approved in principle for the project to seek a loan of 68,110 million baht while the Airport Authority of Thailand invests 16,000 million baht and the government supports with 14,190 million.

For the Airport Authority of Thailand, the investment budget will be drawn from the annual revenue from 1995 to 1999 during which time AAT [Airport Authority of Thailand] will be required to contribute only 30 percent income to state coffer.

According to the project, the Nong Nguhao Airport will start construction this year to be completed in the year 2000.

The airport will be managed by a body incorporated as a company limited. At the early stage, the Ministry of Finance and the Airport Authority of Thailand will be the shareholders with the shares to be diverted to the public later.

The cabinet also instructed all government agencies involved to render full cooperation and support to the company to be set up to manage the second Bangkok international airport.

Burmese Border Sealed To Ease Tensions in North

BK1805062795 Bangkok THE NATION in English 18 May 95 p 1

[FBIS Transcribed Text] The Interior Ministry has closed indefinitely the Thailand-Burma checkpoint in Mae Sai District and two other crossing points in Chiang Rai to suppress border skirmishes and prevent further tension in the area.

The order, which bans border crossings by people, goods and vehicles, took effect at 5.30 pm on Tuesday. It has dealt a blow to the once-bustling border trade, and stranded more than 1,000 legal and illegal Burmese workers who were unable to return home before the crossing was cut off.

Chiang Rai Governor Khamron Bunchoet, who issued the order, said a security alert is also in effect for prominent figures, government property and the general community.

Border intelligence units have been ordered to dig hard for information on any attempted infiltration by "ill-intentioned elements", he said.

Khamron said legal Burmese workers in the area would be given a grace period to return home pending applications filed by their employers.

The order and the increased border controls came after it was decided that the checkpoints had exacerbated tensions. A report on intrusions in the area said Burmese troops had been redeployed along the border near Mae Sai. The other two border crossing points in that area are at Tha Kra-iam and Tha Kham.

The president of Chiang Rai Chamber of Commerce, Wiwat Sirichangkhamphatthana, said the indefinite closure of the Tachilek-Mae Sai checkpoint will have a serious effect on border trade and tourism and will only worsen the border situation.

Wiwat said he will send a letter to the Foreign Ministry to ask them to negotiate with Burmese authorities to open their border checkpoint. The Burmese earlier closed the border at Tachilek in Keng Tung, and accused Thailand of harboring the forces of its enemy, Khun Sa.

Meanwhile, US Assistant Secretary of State for East Asia and Pacific Affairs Winston Lord said the U.S. backed the proposal for the United Nations High Commissioner for Refugees to handle the plight of Karen refugees in Thailand.

Lord praised Thailand for its handling of the refugee situation, as well as other incidents in the past.

"Thailand is in a complex and challenging situation with regard to the Burmese incursions and refugees along the border," he said.

Lord condemned the recent insurgencies into Thailand by the Democratic Karen Buddhist Ammy.

Possible Attack Forces Karens To Flee Burma

*BK1805063095 Bangkok BANGKOK POST
in English 18 May 95 p 9*

[FBIS Transcribed Text] At least 3,000 Karen refugees, most of them children and women, fled across the border into Thailand yesterday in an effort to escape possible attacks by Burmese troops on Karen National Union [KNU] bases opposite Umphang District of this province, a border official said.

More than 1,000 Burmese troops recently began moving closer to the KNU base in Azin and other camps opposite Umphang and Phop Phra Districts, he said.

According to the official, the military, Border Patrol Police, local police as well as defense volunteers have reinforced the border area to prevent intrusions by foreign forces into Thailand.

Umphang District Chief Aphichat Theaophanit said three temporary shelters provided for the refugees have been set up three kilometres inland from the border in Ban Tapuophu in Tambon Mogro Ban Nong Luang in Tambon Nong Luang and Ban Nupathowa in Tambon Mae Chan.

He said authorities bodysearched the refugees for weapons before they were allowed to occupy the three camps.

Vietnam

Visit of U.S. Presidential Mission Reviewed

*BK1705114595 Hanoi Voice of Vietnam in English
1000 GMT 17 May 95*

[FBIS Transcribed Text] The special U.S. presidential mission concluded its two-day visit on Wednesday, following meetings with high-ranking Vietnamese officials and agencies. The mission included Hershel Gober, deputy secretary for veterans affairs; Winston Lord, assistant secretary of state for East Asia and the Pacific; and James Wold, deputy assistant secretary of defense. Our editor reviews the mission's activities.

The special U.S. presidential mission began its visit on Monday and on Tuesday afternoon was received by Vietnamese party General Secretary Do Muoi. The chief U.S. delegate thanked the Vietnamese Government and people for their close cooperation and for their creation of favorable conditions that enabled the U.S. side to

accelerate progress on the MIA issue. They expressed their satisfaction with the positive development in Vietnamese-U.S. relations, and hoped that the two countries would take advantage of the opportunity for promoting relations and overall cooperation.

Mr. Do Muoi said that Vietnam has always considered the settlement of the MIA issue as an humanitarian issue, and will always be ready to cooperate with the United States in solving the issue. He added that Vietnam will continue to cooperate with the U.S. in solving any remaining issues. The Vietnamese party leader said that the Vietnamese people always wish to live in peace and stability and build their country, and he hoped that the major countries, including the United States, would make more positive contributions to Southeast Asian countries to bring about peace and stability for the sake of cooperation and development in the region.

Before concluding its Vietnam visit, the U.S. mission held a press conference on the results of the visit at the U.S. Liaison Office in Hanoi. Hershel Gober, deputy secretary for veterans affairs, expressed his appreciation to the Vietnamese Government for its continued cooperation in joint recovery efforts and in bilateral activities. He described the discussions as comprehensive, cordial, and productive. Discussions covered other topics besides the POW-MIA issues. The U.S. mission thanked the Vietnamese Government for its hospitality and for the opportunity to discuss these issues with senior leaders.

German To Give Aid for Vietnamese Repatriation

*BK1805085295 Hanoi VIETNAM INVESTMENT
REVIEW in English 1-7 May 95 p 4*

[FBIS Transcribed Text] Germany has agreed to a development cooperation grant of DM100 million (about US\$71 million) to Vietnam in 1995.

The aid will help repatriate Vietnamese from Germany and includes support for reform policies, environmental protection, and human resource grants.

Around a quarter of the money will be used to provide support to Vietnamese returnees.

February disputes on how to appropriate the money for returnees led to the negotiations being stalled, even though agreement had been reached on the use of the remaining aid money.

Foreign Minister Meets Mongolian President

*BK1705154395 Hanoi VNA in English
1441 GMT 17 May 95*

[FBIS Transcribed Text] Hanoi VNA May 17 — President of Mongolia Punsalmaagiyn Ochirbat received in Ulaanbaatar on May 16 Vietnamese Foreign Minister Nguyen Manh Cam, who is on an official visit to Mongolia.

Speaking at the reception, President P. Ochirbat expressed his pleasure at the fine development of the two countries traditional friendship over the past 40 years, which he believed, would be further promoted in the coming time. He affirmed that results of talks and agreements in principle with Vietnamese leaders during his Vietnam visit in March last year were firm basis for the further consolidation and expansion of the bilateral multi-sided cooperation. He hailed treaty on friendship and, cooperation between Vietnam and Mongolia initiated by the two foreign ministers on this occasion.

The Mongolian leader highly appreciated the achievements recorded by the Vietnamese people their renovation process and Vietnam's increasing prestige in the international arena. He applauded Vietnam's joining the ASEAN.

He asked Foreign Minister Cam to convey his regards to Vietnamese leaders and expressed his hope to early receive President Le Duc Anh in his country.

Police To Check Homes of Foreigners, Hotels

*BK1805085495 Hanoi VIETNAM INVESTMENT
REVIEW in English 1-7 May 95 p 4*

[FBIS Transcribed Text] Police checks are to made on all houses and hotels occupied by foreigners and Viet Kiev in Ho Chi Minh City, it was announced last week.

The aim is to keep the city government well informed of where and how many people are there either as individuals or with foreigners organisations, a police official said.

It will also help authorities to maintain security and State management regulations.

Inspection teams will work on three levels: city, district and village.

Business documents and business operations will be inspected to see if regulations on business registration, security, order, and fire-safety regulations are in order.

It is estimated that there are about 5,000 units rented to foreigners, including hotel rooms and private houses, in the Ho Chi Minh City area.

Recent inspections found 10 of the 28 places rented to foreigners in violation of some regulations, including doing business without a licence and not reporting temporary residence to the police.

The inspection programme has been jointly planned by the city police, the Trade Department, the Tourism Department and the Land Department.

Party Leader Do Muoi Visits Haiphong

*BK1705153895 Hanoi Voice of Vietnam Network
in Vietnamese 2300 GMT 16 May 95*

[Report by Dao Nguyen]

[FBIS Translated Summary] "During 12-15 May, Comrade Party General Secretary Do Muoi paid a working visit to Haiphong. Accompanying him were Comrade Dao Duy Tung, standing secretary of the Central Committee Secretariat; and Comrade Ha dang, director of the Central Committee's Ideology and Culture Department.

Comrade Party General Secretary Do Muoi visited Nomura Industrial Zone, attended the ground breaking ceremony for the construction of Ching Fong Haiphong Cement Plant and the ceremony to mark the 40th anniversary of Haiphong liberation day. During his two and a half days there, he examined the establishments and gave advice on the activities of nonstate economic establishments and some other state-owned major enterprises."

Visiting the establishments, Comrade Party General Secretary Do Muoi reminded the local authorities to "review the use of land managed by centrally-managed agencies based in the locality and to put more of them into use." He also urged the state-owned establishments to "strive for the leading role in the multisectorial economy, as they would serve as the economic steering wheel to keep the country on the path of socialism. They should be ahead of others in mobilizing capital and land to ensure that the Vietnamese partners in joint ventures are able to contribute at least 50 percent of legal capital."

Comrade Party General Secretary Do Muoi also reminded the authorities and businessmen that "the Vietnamese side should actively propose plans for staff training and contracts on the transfer of leadership and for controlling the power of the enterprises as well as arrangements to have Vietnamese manpower employed to the maximum level possible."

Working with Haiphong party authorities, Comrade Party General Secretary Do Muoi reminded them that "Haiphong should align the development of its maritime economy with the tasks of national defense, as it is the northern gateway to the outside world."

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